

TRANSPORTATION FUNDING MODIFICATIONS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Robert M. Spendlove

Senate Sponsor: Kirk A. Cullimore

LONG TITLE

General Description:

This bill amends provisions related to transportation funding, distributes money from the County of the First Class Highway Projects Fund, and creates the County of the First Class Infrastructure Bank Fund.

Highlighted Provisions:

This bill:

- amends provisions related to certain local option sales and use taxes to allow revenue to be used for public safety purposes, and to remove the requirement for the imposition to be subject to an opinion question for the relevant registered voters in certain circumstances;
- distributes money from the County of the First Class Highway Projects Fund to certain projects within a county of the first class;
- allows certain funds in the Cottonwood Canyons Transportation Investment Fund for public safety enforcement in the Cottonwood Canyons of Salt Lake County;
- creates the County of the First Class Infrastructure Bank Fund and provides a process for distribution of money in the fund as revolving loans;
- directs certain money repaid into the County of the First Class Infrastructure Bank Fund for certain projects within a county of the first class;
- creates the Commuter Rail Subaccount within the Transit Transportation Investment Fund and transfers certain sales and use tax revenues into the Commuter Rail Subaccount; and
- makes technical changes.

Money Appropriated in this Bill:

This bill appropriates in fiscal year 2025:

- to Transportation - Operations/Maintenance Management - Maintenance Administration as an ongoing appropriation:

- from the Cottonwood Canyon Transportation Investment Fund, \$400,000
- to Transportation - Pass-Through - Pass-Through as a one-time appropriation:
- from the Rail Transportation Restricted Account, One-time, \$11,000,000

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:**AMENDS:**

59-12-103 (Effective 07/01/24) (Contingently Superseded 01/01/25), as last amended by Laws of Utah 2023, Chapters 22, 213, 329, 361, and 471

59-12-103 (Contingently Effective 01/01/25), as last amended by Laws of Utah 2023, Chapters 22, 213, 329, 361, 459, and 471

59-12-2216 (Effective 07/01/24), as last amended by Laws of Utah 2019, Chapter 479

59-12-2220 (Effective 07/01/24), as last amended by Laws of Utah 2023, Chapter 529

63B-31-103 (Effective 07/01/24), as last amended by Laws of Utah 2022, Chapter 259

63J-1-602.1 (Effective 07/01/24), as last amended by Laws of Utah 2023, Chapters 26, 33, 34, 194, 212, 330, 419, 434, 448, and 534

72-2-121 (Effective 07/01/24), as last amended by Laws of Utah 2023, Chapter 529

72-2-124 (Effective 07/01/24), as last amended by Laws of Utah 2023, Chapters 22, 88, 219, and 529

ENACTS:

72-2-301 (Effective 07/01/24), Utah Code Annotated 1953

72-2-302 (Effective 07/01/24), Utah Code Annotated 1953

72-2-303 (Effective 07/01/24), Utah Code Annotated 1953

72-2-304 (Effective 07/01/24), Utah Code Annotated 1953

72-2-305 (Effective 07/01/24), Utah Code Annotated 1953

72-2-306 (Effective 07/01/24), Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **59-12-103** is amended to read:

59-12-103 (Effective 07/01/24) (Contingently Superseded 01/01/25). Sales and use tax base -- Rates -- Effective dates -- Use of sales and use tax revenues.

(1) A tax is imposed on the purchaser as provided in this part on the purchase price or sales price for amounts paid or charged for the following transactions:

(a) retail sales of tangible personal property made within the state;

- 62 (b) amounts paid for:
- 63 (i) telecommunications service, other than mobile telecommunications service, that
- 64 originates and terminates within the boundaries of this state;
- 65 (ii) mobile telecommunications service that originates and terminates within the
- 66 boundaries of one state only to the extent permitted by the Mobile
- 67 Telecommunications Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or
- 68 (iii) an ancillary service associated with a:
- 69 (A) telecommunications service described in Subsection (1)(b)(i); or
- 70 (B) mobile telecommunications service described in Subsection (1)(b)(ii);
- 71 (c) sales of the following for commercial use:
- 72 (i) gas;
- 73 (ii) electricity;
- 74 (iii) heat;
- 75 (iv) coal;
- 76 (v) fuel oil; or
- 77 (vi) other fuels;
- 78 (d) sales of the following for residential use:
- 79 (i) gas;
- 80 (ii) electricity;
- 81 (iii) heat;
- 82 (iv) coal;
- 83 (v) fuel oil; or
- 84 (vi) other fuels;
- 85 (e) sales of prepared food;
- 86 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
- 87 user fees for theaters, movies, operas, museums, planetariums, shows of any type or
- 88 nature, exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses,
- 89 menageries, fairs, races, contests, sporting events, dances, boxing matches, wrestling
- 90 matches, closed circuit television broadcasts, billiard parlors, pool parlors, bowling
- 91 lanes, golf, miniature golf, golf driving ranges, batting cages, skating rinks, ski lifts,
- 92 ski runs, ski trails, snowmobile trails, tennis courts, swimming pools, water slides,
- 93 river runs, jeep tours, boat tours, scenic cruises, horseback rides, sports activities, or
- 94 any other amusement, entertainment, recreation, exhibition, cultural, or athletic
- 95 activity;

- (g) amounts paid or charged for services for repairs or renovations of tangible personal property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
- (i) the tangible personal property; and
 - (ii) parts used in the repairs or renovations of the tangible personal property described in Subsection (1)(g)(i), regardless of whether:
 - (A) any parts are actually used in the repairs or renovations of that tangible personal property; or
 - (B) the particular parts used in the repairs or renovations of that tangible personal property are exempt from a tax under this chapter;
- (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for assisted cleaning or washing of tangible personal property;
- (i) amounts paid or charged for tourist home, hotel, motel, or trailer court accommodations and services that are regularly rented for less than 30 consecutive days;
- (j) amounts paid or charged for laundry or dry cleaning services;
- (k) amounts paid or charged for leases or rentals of tangible personal property if within this state the tangible personal property is:
- (i) stored;
 - (ii) used; or
 - (iii) otherwise consumed;
- (l) amounts paid or charged for tangible personal property if within this state the tangible personal property is:
- (i) stored;
 - (ii) used; or
 - (iii) consumed;
- (m) amounts paid or charged for a sale:
- (i) (A) of a product transferred electronically; or
 - (B) of a repair or renovation of a product transferred electronically; and
 - (ii) regardless of whether the sale provides:
 - (A) a right of permanent use of the product; or
 - (B) a right to use the product that is less than a permanent use, including a right:
 - (I) for a definite or specified length of time; and
 - (II) that terminates upon the occurrence of a condition; and

- (n) sales of leased tangible personal property from the lessor to the lessee made in the state.
- (2) (a) Except as provided in Subsections (2)(b) through (f), a state tax and a local tax are imposed on a transaction described in Subsection (1) equal to the sum of:
- (i) a state tax imposed on the transaction at a tax rate equal to the sum of:
 - (A) 4.70% plus the rate specified in Subsection (11)(a); and
 - (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional State Sales and Use Tax Act; and
 - (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and
 - (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the transaction under this chapter other than this part.
- (b) Except as provided in Subsection (2)(f) or (g) and subject to Subsection (2)(l), a state tax and a local tax are imposed on a transaction described in Subsection (1)(d) equal to the sum of:
- (i) a state tax imposed on the transaction at a tax rate of 2%; and
 - (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the transaction under this chapter other than this part.
- (c) Except as provided in Subsection (2)(f) or (g), a state tax and a local tax are imposed on amounts paid or charged for food and food ingredients equal to the sum of:
- (i) a state tax imposed on the amounts paid or charged for food and food ingredients at a tax rate of 1.75%; and
 - (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the amounts paid or charged for food and food ingredients under this chapter other than this part.
- (d) Except as provided in Subsection (2)(f) or (g), a state tax is imposed on amounts paid or charged for fuel to a common carrier that is a railroad for use in a locomotive engine at a rate of 4.85%.

- 164 (e) (i) (A) If a shared vehicle owner certifies to the commission, on a form
165 prescribed by the commission, that the shared vehicle is an individual-owned
166 shared vehicle, a tax imposed under Subsection (2)(a)(i)(A) does not apply to
167 car sharing, a car-sharing program, a shared vehicle driver, or a shared vehicle
168 owner.
- 169 (B) A shared vehicle owner's certification described in Subsection (2)(e)(i)(A) is
170 required once during the time that the shared vehicle owner owns the shared
171 vehicle.
- 172 (C) The commission shall verify that a shared vehicle is an individual-owned
173 shared vehicle by verifying that the applicable Utah taxes imposed under this
174 chapter were paid on the purchase of the shared vehicle.
- 175 (D) The exception under Subsection (2)(e)(i)(A) applies to a certified
176 individual-owned shared vehicle shared through a car-sharing program even if
177 non-certified shared vehicles are also available to be shared through the same
178 car-sharing program.
- 179 (ii) A tax imposed under Subsection (2)(a)(i)(B) or (2)(a)(ii) applies to car sharing.
- 180 (iii) (A) A car-sharing program may rely in good faith on a shared vehicle owner's
181 representation that the shared vehicle is an individual-owned shared vehicle
182 certified with the commission as described in Subsection (2)(e)(i).
- 183 (B) If a car-sharing program relies in good faith on a shared vehicle owner's
184 representation that the shared vehicle is an individual-owned shared vehicle
185 certified with the commission as described in Subsection (2)(e)(i), the
186 car-sharing program is not liable for any tax, penalty, fee, or other sanction
187 imposed on the shared vehicle owner.
- 188 (iv) If all shared vehicles shared through a car-sharing program are certified as
189 described in Subsection (2)(e)(i)(A) for a tax period, the car-sharing program has
190 no obligation to collect and remit the tax under Subsection (2)(a)(i)(A) for that tax
191 period.
- 192 (v) ~~[(A)]~~ A car-sharing program is not required to list or otherwise identify an
193 individual-owned shared vehicle on a return or an attachment to a return.
- 194 (vi) A car-sharing program shall:
- 195 (A) retain tax information for each car-sharing program transaction; and
196 (B) provide the information described in Subsection (2)(e)(vi)(A) to the
197 commission at the commission's request.

- 198 (f) (i) For a bundled transaction that is attributable to food and food ingredients and
199 tangible personal property other than food and food ingredients, a state tax and a
200 local tax is imposed on the entire bundled transaction equal to the sum of:
- 201 (A) a state tax imposed on the entire bundled transaction equal to the sum of:
- 202 (I) the tax rate described in Subsection (2)(a)(i)(A); and
- 203 (II) (Aa) the tax rate the state imposes in accordance with Part 18,
204 Additional State Sales and Use Tax Act, if the location of the transaction
205 as determined under Sections 59-12-211 through 59-12-215 is in a
206 county in which the state imposes the tax under Part 18, Additional State
207 Sales and Use Tax Act; and
- 208 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental
209 State Sales and Use Tax Act, if the location of the transaction as
210 determined under Sections 59-12-211 through 59-12-215 is in a city,
211 town, or the unincorporated area of a county in which the state imposes
212 the tax under Part 20, Supplemental State Sales and Use Tax Act; and
- 213 (B) a local tax imposed on the entire bundled transaction at the sum of the tax
214 rates described in Subsection (2)(a)(ii).
- 215 (ii) If an optional computer software maintenance contract is a bundled transaction
216 that consists of taxable and nontaxable products that are not separately itemized
217 on an invoice or similar billing document, the purchase of the optional computer
218 software maintenance contract is 40% taxable under this chapter and 60%
219 nontaxable under this chapter.
- 220 (iii) Subject to Subsection (2)(f)(iv), for a bundled transaction other than a bundled
221 transaction described in Subsection (2)(f)(i) or (ii):
- 222 (A) if the sales price of the bundled transaction is attributable to tangible personal
223 property, a product, or a service that is subject to taxation under this chapter
224 and tangible personal property, a product, or service that is not subject to
225 taxation under this chapter, the entire bundled transaction is subject to taxation
226 under this chapter unless:
- 227 (I) the seller is able to identify by reasonable and verifiable standards the
228 tangible personal property, product, or service that is not subject to taxation
229 under this chapter from the books and records the seller keeps in the seller's
230 regular course of business; or
- 231 (II) state or federal law provides otherwise; or

- 232 (B) if the sales price of a bundled transaction is attributable to two or more items
233 of tangible personal property, products, or services that are subject to taxation
234 under this chapter at different rates, the entire bundled transaction is subject to
235 taxation under this chapter at the higher tax rate unless:
- 236 (I) the seller is able to identify by reasonable and verifiable standards the
237 tangible personal property, product, or service that is subject to taxation
238 under this chapter at the lower tax rate from the books and records the seller
239 keeps in the seller's regular course of business; or
- 240 (II) state or federal law provides otherwise.
- 241 (iv) For purposes of Subsection (2)(f)(iii), books and records that a seller keeps in the
242 seller's regular course of business includes books and records the seller keeps in
243 the regular course of business for nontax purposes.
- 244 (g) (i) Except as otherwise provided in this chapter and subject to Subsections
245 (2)(g)(ii) and (iii), if a transaction consists of the sale, lease, or rental of tangible
246 personal property, a product, or a service that is subject to taxation under this
247 chapter, and the sale, lease, or rental of tangible personal property, other property,
248 a product, or a service that is not subject to taxation under this chapter, the entire
249 transaction is subject to taxation under this chapter unless the seller, at the time of
250 the transaction:
- 251 (A) separately states the portion of the transaction that is not subject to taxation
252 under this chapter on an invoice, bill of sale, or similar document provided to
253 the purchaser; or
- 254 (B) is able to identify by reasonable and verifiable standards, from the books and
255 records the seller keeps in the seller's regular course of business, the portion of
256 the transaction that is not subject to taxation under this chapter.
- 257 (ii) A purchaser and a seller may correct the taxability of a transaction if:
- 258 (A) after the transaction occurs, the purchaser and the seller discover that the
259 portion of the transaction that is not subject to taxation under this chapter was
260 not separately stated on an invoice, bill of sale, or similar document provided
261 to the purchaser because of an error or ignorance of the law; and
- 262 (B) the seller is able to identify by reasonable and verifiable standards, from the
263 books and records the seller keeps in the seller's regular course of business, the
264 portion of the transaction that is not subject to taxation under this chapter.
- 265 (iii) For purposes of Subsections (2)(g)(i) and (ii), books and records that a seller

- 266 keeps in the seller's regular course of business includes books and records the
267 seller keeps in the regular course of business for nontax purposes.
- 268 (h) (i) If the sales price of a transaction is attributable to two or more items of
269 tangible personal property, products, or services that are subject to taxation under
270 this chapter at different rates, the entire purchase is subject to taxation under this
271 chapter at the higher tax rate unless the seller, at the time of the transaction:
- 272 (A) separately states the items subject to taxation under this chapter at each of the
273 different rates on an invoice, bill of sale, or similar document provided to the
274 purchaser; or
- 275 (B) is able to identify by reasonable and verifiable standards the tangible personal
276 property, product, or service that is subject to taxation under this chapter at the
277 lower tax rate from the books and records the seller keeps in the seller's regular
278 course of business.
- 279 (ii) For purposes of Subsection (2)(h)(i), books and records that a seller keeps in the
280 seller's regular course of business includes books and records the seller keeps in
281 the regular course of business for nontax purposes.
- 282 (i) Subject to Subsections (2)(j) and (k), a tax rate repeal or tax rate change for a tax rate
283 imposed under the following shall take effect on the first day of a calendar quarter:
- 284 (i) Subsection (2)(a)(i)(A);
- 285 (ii) Subsection (2)(b)(i);
- 286 (iii) Subsection (2)(c)(i); or
- 287 (iv) Subsection (2)(f)(i)(A)(I).
- 288 (j) (i) A tax rate increase takes effect on the first day of the first billing period that
289 begins on or after the effective date of the tax rate increase if the billing period for
290 the transaction begins before the effective date of a tax rate increase imposed
291 under:
- 292 (A) Subsection (2)(a)(i)(A);
- 293 (B) Subsection (2)(b)(i);
- 294 (C) Subsection (2)(c)(i); or
- 295 (D) Subsection (2)(f)(i)(A)(I).
- 296 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
297 statement for the billing period is rendered on or after the effective date of the
298 repeal of the tax or the tax rate decrease imposed under:
- 299 (A) Subsection (2)(a)(i)(A);

- 300 (B) Subsection (2)(b)(i);
301 (C) Subsection (2)(c)(i); or
302 (D) Subsection (2)(f)(i)(A)(I).
- 303 (k) (i) For a tax rate described in Subsection (2)(k)(ii), if a tax due on a catalogue sale
304 is computed on the basis of sales and use tax rates published in the catalogue, a
305 tax rate repeal or change in a tax rate takes effect:
306 (A) on the first day of a calendar quarter; and
307 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate
308 change.
- 309 (ii) Subsection (2)(k)(i) applies to the tax rates described in the following:
310 (A) Subsection (2)(a)(i)(A);
311 (B) Subsection (2)(b)(i);
312 (C) Subsection (2)(c)(i); or
313 (D) Subsection (2)(f)(i)(A)(I).
- 314 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
315 the commission may by rule define the term "catalogue sale."
- 316 (l) (i) For a location described in Subsection (2)(l)(ii), the commission shall
317 determine the taxable status of a sale of gas, electricity, heat, coal, fuel oil, or
318 other fuel based on the predominant use of the gas, electricity, heat, coal, fuel oil,
319 or other fuel at the location.
- 320 (ii) Subsection (2)(l)(i) applies to a location where gas, electricity, heat, coal, fuel oil,
321 or other fuel is furnished through a single meter for two or more of the following
322 uses:
323 (A) a commercial use;
324 (B) an industrial use; or
325 (C) a residential use.
- 326 (3) (a) The following state taxes shall be deposited into the General Fund:
327 (i) the tax imposed by Subsection (2)(a)(i)(A);
328 (ii) the tax imposed by Subsection (2)(b)(i);
329 (iii) the tax imposed by Subsection (2)(c)(i); and
330 (iv) the tax imposed by Subsection (2)(f)(i)(A)(I).
- 331 (b) The following local taxes shall be distributed to a county, city, or town as provided
332 in this chapter:
333 (i) the tax imposed by Subsection (2)(a)(ii);

- (ii) the tax imposed by Subsection (2)(b)(ii);
- (iii) the tax imposed by Subsection (2)(c)(ii); and
- (iv) the tax imposed by Subsection (2)(f)(i)(B).

(c) The state tax imposed by Subsection (2)(d) shall be deposited into the General Fund.

(4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1, 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b) through (g):

- (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:
 - (A) by a 1/16% tax rate on the transactions described in Subsection (1); and
 - (B) for the fiscal year; or
- (ii) \$17,500,000.

(b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount described in Subsection (4)(a) shall be transferred each year as designated sales and use tax revenue to the Department of Natural Resources to:

- (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to protect sensitive plant and animal species; or
- (B) award grants, up to the amount authorized by the Legislature in an appropriations act, to political subdivisions of the state to implement the measures described in Subsections 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

(ii) Money transferred to the Department of Natural Resources under Subsection (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other person to list or attempt to have listed a species as threatened or endangered under the Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

(iii) At the end of each fiscal year:

- (A) 50% of any unexpended designated sales and use tax revenue shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24;
- (B) 25% of any unexpended designated sales and use tax revenue shall lapse to the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and
- (C) 25% of any unexpended designated sales and use tax revenue shall lapse to the Drinking Water Loan Program Subaccount created in Section 73-10c-5.

(c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in

Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund created in Section 4-18-106.

- (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described in Subsection (4)(a) shall be transferred each year as designated sales and use tax revenue to the Division of Water Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of water rights.
- (ii) At the end of each fiscal year:
- (A) 50% of any unexpended designated sales and use tax revenue shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24;
 - (B) 25% of any unexpended designated sales and use tax revenue shall lapse to the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and
 - (C) 25% of any unexpended designated sales and use tax revenue shall lapse to the Drinking Water Loan Program Subaccount created in Section 73-10c-5.
- (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described in Subsection (4)(a) shall be deposited into the Water Resources Conservation and Development Fund created in Section 73-10-24 for use by the Division of Water Resources.
- (ii) In addition to the uses allowed of the Water Resources Conservation and Development Fund under Section 73-10-24, the Water Resources Conservation and Development Fund may also be used to:
- (A) conduct hydrologic and geotechnical investigations by the Division of Water Resources in a cooperative effort with other state, federal, or local entities, for the purpose of quantifying surface and ground water resources and describing the hydrologic systems of an area in sufficient detail so as to enable local and state resource managers to plan for and accommodate growth in water use without jeopardizing the resource;
 - (B) fund state required dam safety improvements; and
 - (C) protect the state's interest in interstate water compact allocations, including the hiring of technical and legal staff.
- (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described in Subsection (4)(a) shall be deposited into the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

- (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described in Subsection (4)(a) shall be deposited into the Drinking Water Loan Program Subaccount created in Section 73-10c-5 for use by the Division of Drinking Water to:
- (i) provide for the installation and repair of collection, treatment, storage, and distribution facilities for any public water system, as defined in Section 19-4-102;
 - (ii) develop underground sources of water, including springs and wells; and
 - (iii) develop surface water sources.
- (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1, 2006, the difference between the following amounts shall be expended as provided in this Subsection (5), if that difference is greater than \$1:
- (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and
 - (ii) \$17,500,000.
- (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:
- (A) transferred each fiscal year to the Department of Natural Resources as designated sales and use tax revenue; and
 - (B) expended by the Department of Natural Resources for watershed rehabilitation or restoration.
- (ii) At the end of each fiscal year, 100% of any unexpended designated sales and use tax revenue described in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24.
- (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the remaining difference described in Subsection (5)(a) shall be:
- (A) transferred each fiscal year to the Division of Water Resources as designated sales and use tax revenue; and
 - (B) expended by the Division of Water Resources for cloud-seeding projects authorized by Title 73, Chapter 15, Modification of Weather.
- (ii) At the end of each fiscal year, 100% of any unexpended designated sales and use tax revenue described in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24.
- (d) After making the transfers required by Subsections (5)(b) and (c), 85% of the remaining difference described in Subsection (5)(a) shall be deposited into the Water Resources Conservation and Development Fund created in Section 73-10-24 for use

by the Division of Water Resources for:

(i) preconstruction costs:

(A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter 26, Bear River Development Act; and

(B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;

(ii) the cost of employing a civil engineer to oversee any project authorized by Title 73, Chapter 26, Bear River Development Act;

(iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and

(iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).

(e) After making the transfers required by Subsections (5)(b) and (c), 15% of the remaining difference described in Subsection (5)(a) shall be deposited each year into the Water Rights Restricted Account created by Section 73-2-1.6.

(6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a), each fiscal year, the commission shall deposit into the Water Infrastructure Restricted Account created in Section 73-10g-103 the amount of revenue generated by a 1/16% tax rate on the transactions described in Subsection (1) for the fiscal year.

(7) (a) Notwithstanding Subsection (3)(a) and subject to ~~[Subsection (7)(b)]~~ Subsections (7)(b), (c), and (d), for a fiscal year beginning on or after July 1, 2023, the commission shall deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to 17% of the revenue collected from the following sales and use taxes:

(i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

(ii) the tax imposed by Subsection (2)(b)(i);

(iii) the tax imposed by Subsection (2)(c)(i); and

(iv) the tax imposed by Subsection (2)(f)(i)(A)(I).

(b) ~~[(i) As used in this Subsection (7)(b):]~~

~~[(A) "Additional growth revenue" means the amount of relevant revenue collected in the current fiscal year that exceeds by more than 3% the relevant revenue collected in the previous fiscal year.]~~

- 470 [(B) "Combined amount" means the combined total amount of money deposited into
471 the Cottonwood Canyons fund under Subsections (7)(b)(iii) and (8)(d)(iii) in any
472 single fiscal year.]
- 473 [(C) "Cottonwood Canyons fund" means the Cottonwood Canyons Transportation
474 Investment Fund created in Subsection 72-2-124(10).]
- 475 [(D) "Relevant revenue" means the portion of taxes listed under Subsection (3)(a)
476 that equals 17% of the revenue collected from taxes described in Subsections
477 (7)(a)(i) through (iv).]
- 478 (ii) For a fiscal year beginning on or after July 1, 2020, the commission shall
479 annually reduce the deposit under Subsection (7)(a) into the Transportation
480 Investment Fund of 2005 by an amount equal to the amount of the deposit under
481 this Subsection (7)(b) to the Cottonwood Canyons fund in the previous fiscal year
482 plus 25% of additional growth revenue, subject to the limit in Subsection
483 (7)(b)(iii).]
- 484 (i) For a fiscal year beginning on or after July 1, 2024, the commission shall annually
485 reduce the deposit under Subsection (7)(a) into the Transportation Investment
486 Fund of 2005 by an amount equal to .44% of the revenue collected from the
487 following sales and use taxes:
- 488 (A) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
489 (B) the tax imposed by Subsection (2)(b)(i);
490 (C) the tax imposed by Subsection (2)(c)(i); and
491 (D) the tax imposed by Subsection (2)(f)(i)(A)(I).
- 492 [(iii)] (ii) The commission shall annually deposit the amount described in Subsection [
493 (7)(b)(ii)] (7)(b)(i) into the [Cottonwood Canyons fund, subject to an annual
494 maximum combined amount for any single fiscal year of \$20,000,000.]
495 Cottonwood Canyons Transportation Investment Fund created in Section 72-2-124.
- 496 (iv) If the amount of relevant revenue declines in a fiscal year compared to the
497 previous fiscal year, the commission shall decrease the amount of the contribution
498 to the Cottonwood Canyons fund under this Subsection (7)(b) in the same
499 proportion as the decline in relevant revenue.]
- 500 (c) (i) Subject to Subsection (7)(c)(ii), for a fiscal year beginning on or after July 1,
501 2023, the commission shall annually reduce the deposit into the Transportation
502 Investment Fund of 2005 under Subsections (7)(a) and (7)(b) by an amount that is
503 equal to 5% of:

- 504 (A) the amount of revenue generated in the current fiscal year by the portion of
505 taxes listed under Subsection (3)(a) that equals 20.68% of the revenue
506 collected from taxes described in Subsections (7)(a)(i) through (iv);
- 507 (B) the amount of revenue generated in the current fiscal year by registration fees
508 designated under Section 41-1a-1201 to be deposited into the Transportation
509 Investment Fund of 2005; and
- 510 (C) revenues transferred by the Division of Finance to the Transportation
511 Investment Fund of 2005 in accordance with Section 72-2-106 in the current
512 fiscal year.
- 513 (ii) The amount described in Subsection (7)(c)(i) may not exceed \$45,000,000 in a
514 given fiscal year.
- 515 (iii) The commission shall annually deposit the amount described in Subsection
516 (7)(c)(i) into the Active Transportation Investment Fund created in Subsection
517 72-2-124(11).
- 518 (d) (i) For a fiscal year beginning on or after July 1, 2024, the commission shall
519 annually reduce the deposit into the Transportation Investment Fund of 2005
520 under this Subsection (7) by an amount that is equal to 1% of the revenue
521 collected from the following sales and use taxes:
- 522 (A) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
523 (B) the tax imposed by Subsection (2)(b)(i);
524 (C) the tax imposed by Subsection (2)(c)(i); and
525 (D) the tax imposed by Subsection (2)(f)(i)(A)(I).
- 526 (ii) The commission shall annually deposit the amount described in Subsection
527 (7)(d)(i) into the Commuter Rail Subaccount created in Section 72-2-124.
- 528 (8) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under
529 Subsection (7), and subject to Subsections (8)(b) and (d)(ii), for a fiscal year
530 beginning on or after July 1, 2018, the commission shall annually deposit into the
531 Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of the
532 taxes listed under Subsection (3)(a) in an amount equal to 3.68% of the revenues
533 collected from the following taxes:
- 534 (i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
535 (ii) the tax imposed by Subsection (2)(b)(i);
536 (iii) the tax imposed by Subsection (2)(c)(i); and
537 (iv) the tax imposed by Subsection (2)(f)(i)(A)(I).

(b) For a fiscal year beginning on or after July 1, 2019, the commission shall annually reduce the deposit into the Transportation Investment Fund of 2005 under Subsection (8)(a) by an amount that is equal to 35% of the amount of revenue generated in the current fiscal year by the portion of the tax imposed on motor and special fuel that is sold, used, or received for sale or use in this state that exceeds 29.4 cents per gallon.

(c) The commission shall annually deposit the amount described in Subsection (8)(b) into the Transit Transportation Investment Fund created in Section 72-2-124.

~~[(d) (i) As used in this Subsection (8)(d):]~~

~~[(A) "Additional growth revenue" means the amount of relevant revenue collected in the current fiscal year that exceeds by more than 3% the relevant revenue collected in the previous fiscal year.]~~

~~[(B) "Combined amount" means the combined total amount of money deposited into the Cottonwood Canyons fund under Subsections (7)(b)(iii) and (8)(d)(iii) in any single fiscal year.]~~

~~[(C) "Cottonwood Canyons fund" means the Cottonwood Canyons Transportation Investment Fund created in Subsection 72-2-124(10).]~~

~~[(D) "Relevant revenue" means the portion of taxes listed under Subsection (3)(a) that equals 3.68% of the revenue collected from taxes described in Subsections (8)(a)(i) through (iv).]~~

~~[(ii) For a fiscal year beginning on or after July 1, 2020, the commission shall annually reduce the deposit under Subsection (8)(a) into the Transportation Investment Fund of 2005 by an amount equal to the amount of the deposit under this Subsection (8)(d) to the Cottonwood Canyons fund in the previous fiscal year plus 25% of additional growth revenue, subject to the limit in Subsection (8)(d)(iii).]~~

~~[(iii) The commission shall annually deposit the amount described in Subsection (8)(d)(ii) into the Cottonwood Canyons fund, subject to an annual maximum combined amount for any single fiscal year of \$20,000,000.]~~

~~[(iv) If the amount of relevant revenue declines in a fiscal year compared to the previous fiscal year, the commission shall decrease the amount of the contribution to the Cottonwood Canyons fund under this Subsection (8)(d) in the same proportion as the decline in relevant revenue.]~~

(9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

- (10) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the fiscal year during which the commission receives notice under Section 63N-2-510 that construction on a qualified hotel, as defined in Section 63N-2-502, has begun, the commission shall, for two consecutive fiscal years, annually deposit \$1,900,000 of the revenue generated by the taxes listed under Subsection (3)(a) into the Hotel Impact Mitigation Fund, created in Section 63N-2-512.
- (11) (a) The rate specified in this subsection is 0.15%.
- (b) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year beginning on or after July 1, 2019, annually transfer the amount of revenue collected from the rate described in Subsection (11)(a) on the transactions that are subject to the sales and use tax under Subsection (2)(a)(i)(A) into the Medicaid Expansion Fund created in Section 26B-1-315.
- (12) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year 2020-21, the commission shall deposit \$200,000 into the General Fund as a dedicated credit solely for use of the Search and Rescue Financial Assistance Program created in, and expended in accordance with, Title 53, Chapter 2a, Part 11, Search and Rescue Act.
- (13) (a) For each fiscal year beginning with fiscal year 2020-21, the commission shall annually transfer \$1,813,400 of the revenue deposited into the Transportation Investment Fund of 2005 under Subsections (7) and (8) to the General Fund.
- (b) If the total revenue deposited into the Transportation Investment Fund of 2005 under Subsections (7) and (8) is less than \$1,813,400 for a fiscal year, the commission shall transfer the total revenue deposited into the Transportation Investment Fund of 2005 under Subsections (7) and (8) during the fiscal year to the General Fund.
- (14) Notwithstanding Subsection (3)(a), and as described in Section 63N-3-610, beginning the first day of the calendar quarter one year after the sales and use tax boundary for a housing and transit reinvestment zone is established, the commission, at least annually, shall transfer an amount equal to 15% of the sales and use tax increment within an established sales and use tax boundary, as defined in Section 63N-3-602, into the Transit Transportation Investment Fund created in Section 72-2-124.
- (15) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year beginning on or after July 1, 2022, transfer into the Outdoor Adventure Infrastructure Restricted Account, created in Section 51-9-902, a portion of the taxes listed under Subsection (3)(a) equal to 1% of the revenues collected from the following sales and use taxes:
- (a) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

- (b) the tax imposed by Subsection (2)(b)(i);
- (c) the tax imposed by Subsection (2)(c)(i); and
- (d) the tax imposed by Subsection (2)(f)(i)(A)(I).

Section 2. Section **59-12-103** is amended to read:

**59-12-103 (Contingently Effective 01/01/25). Sales and use tax base -- Rates --
Effective dates -- Use of sales and use tax revenues.**

- (1) A tax is imposed on the purchaser as provided in this part on the purchase price or sales price for amounts paid or charged for the following transactions:
 - (a) retail sales of tangible personal property made within the state;
 - (b) amounts paid for:
 - (i) telecommunications service, other than mobile telecommunications service, that originates and terminates within the boundaries of this state;
 - (ii) mobile telecommunications service that originates and terminates within the boundaries of one state only to the extent permitted by the Mobile Telecommunications Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or
 - (iii) an ancillary service associated with a:
 - (A) telecommunications service described in Subsection (1)(b)(i); or
 - (B) mobile telecommunications service described in Subsection (1)(b)(ii);
 - (c) sales of the following for commercial use:
 - (i) gas;
 - (ii) electricity;
 - (iii) heat;
 - (iv) coal;
 - (v) fuel oil; or
 - (vi) other fuels;
 - (d) sales of the following for residential use:
 - (i) gas;
 - (ii) electricity;
 - (iii) heat;
 - (iv) coal;
 - (v) fuel oil; or
 - (vi) other fuels;
 - (e) sales of prepared food;
 - (f) except as provided in Section 59-12-104, amounts paid or charged as admission or

640 user fees for theaters, movies, operas, museums, planetariums, shows of any type or
641 nature, exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses,
642 menageries, fairs, races, contests, sporting events, dances, boxing matches, wrestling
643 matches, closed circuit television broadcasts, billiard parlors, pool parlors, bowling
644 lanes, golf, miniature golf, golf driving ranges, batting cages, skating rinks, ski lifts,
645 ski runs, ski trails, snowmobile trails, tennis courts, swimming pools, water slides,
646 river runs, jeep tours, boat tours, scenic cruises, horseback rides, sports activities, or
647 any other amusement, entertainment, recreation, exhibition, cultural, or athletic
648 activity;

649 (g) amounts paid or charged for services for repairs or renovations of tangible personal
650 property, unless Section 59-12-104 provides for an exemption from sales and use tax
651 for:

652 (i) the tangible personal property; and

653 (ii) parts used in the repairs or renovations of the tangible personal property described
654 in Subsection (1)(g)(i), regardless of whether:

655 (A) any parts are actually used in the repairs or renovations of that tangible
656 personal property; or

657 (B) the particular parts used in the repairs or renovations of that tangible personal
658 property are exempt from a tax under this chapter;

659 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for assisted
660 cleaning or washing of tangible personal property;

661 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
662 accommodations and services that are regularly rented for less than 30 consecutive
663 days;

664 (j) amounts paid or charged for laundry or dry cleaning services;

665 (k) amounts paid or charged for leases or rentals of tangible personal property if within
666 this state the tangible personal property is:

667 (i) stored;

668 (ii) used; or

669 (iii) otherwise consumed;

670 (l) amounts paid or charged for tangible personal property if within this state the tangible
671 personal property is:

672 (i) stored;

673 (ii) used; or

- 674 (iii) consumed;
- 675 (m) amounts paid or charged for a sale:
- 676 (i) (A) of a product transferred electronically; or
- 677 (B) of a repair or renovation of a product transferred electronically; and
- 678 (ii) regardless of whether the sale provides:
- 679 (A) a right of permanent use of the product; or
- 680 (B) a right to use the product that is less than a permanent use, including a right:
- 681 (I) for a definite or specified length of time; and
- 682 (II) that terminates upon the occurrence of a condition; and
- 683 (n) sales of leased tangible personal property from the lessor to the lessee made in the
- 684 state.
- 685 (2) (a) Except as provided in Subsections (2)(b) through (f), a state tax and a local tax
- 686 are imposed on a transaction described in Subsection (1) equal to the sum of:
- 687 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:
- 688 (A) 4.70% plus the rate specified in Subsection (11)(a); and
- 689 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional
- 690 State Sales and Use Tax Act, if the location of the transaction as determined
- 691 under Sections 59-12-211 through 59-12-215 is in a county in which the
- 692 state imposes the tax under Part 18, Additional State Sales and Use Tax Act;
- 693 and
- 694 (II) the tax rate the state imposes in accordance with Part 20, Supplemental
- 695 State Sales and Use Tax Act, if the location of the transaction as determined
- 696 under Sections 59-12-211 through 59-12-215 is in a city, town, or the
- 697 unincorporated area of a county in which the state imposes the tax under
- 698 Part 20, Supplemental State Sales and Use Tax Act; and
- 699 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
- 700 transaction under this chapter other than this part.
- 701 (b) Except as provided in Subsection (2)(f) or (g) and subject to Subsection (2)(l), a state
- 702 tax and a local tax are imposed on a transaction described in Subsection (1)(d) equal
- 703 to the sum of:
- 704 (i) a state tax imposed on the transaction at a tax rate of 2%; and
- 705 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
- 706 transaction under this chapter other than this part.
- 707 (c) (i) Except as provided in Subsection (2)(f) or (g), a local tax is imposed on

amounts paid or charged for food and food ingredients equal to the sum of the tax rates a county, city, or town imposes under this chapter on the amounts paid or charged for food or food ingredients.

(ii) There is no state tax imposed on amounts paid or charged for food and food ingredients.

(d) Except as provided in Subsection (2)(f) or (g), a state tax is imposed on amounts paid or charged for fuel to a common carrier that is a railroad for use in a locomotive engine at a rate of 4.85%.

(e) (i) (A) If a shared vehicle owner certifies to the commission, on a form prescribed by the commission, that the shared vehicle is an individual-owned shared vehicle, a tax imposed under Subsection (2)(a)(i)(A) does not apply to car sharing, a car-sharing program, a shared vehicle driver, or a shared vehicle owner.

(B) A shared vehicle owner's certification described in Subsection (2)(e)(i)(A) is required once during the time that the shared vehicle owner owns the shared vehicle.

(C) The commission shall verify that a shared vehicle is an individual-owned shared vehicle by verifying that the applicable Utah taxes imposed under this chapter were paid on the purchase of the shared vehicle.

(D) The exception under Subsection (2)(e)(i)(A) applies to a certified individual-owned shared vehicle shared through a car-sharing program even if non-certified shared vehicles are also available to be shared through the same car-sharing program.

(ii) A tax imposed under Subsection (2)(a)(i)(B) or (2)(a)(ii) applies to car sharing.

(iii) (A) A car-sharing program may rely in good faith on a shared vehicle owner's representation that the shared vehicle is an individual-owned shared vehicle certified with the commission as described in Subsection (2)(e)(i).

(B) If a car-sharing program relies in good faith on a shared vehicle owner's representation that the shared vehicle is an individual-owned shared vehicle certified with the commission as described in Subsection (2)(e)(i), the car-sharing program is not liable for any tax, penalty, fee, or other sanction imposed on the shared vehicle owner.

(iv) If all shared vehicles shared through a car-sharing program are certified as described in Subsection (2)(e)(i)(A) for a tax period, the car-sharing program has

- 742 no obligation to collect and remit the tax under Subsection (2)(a)(i)(A) for that tax
743 period.
- 744 (v) ~~[(A)]~~ A car-sharing program is not required to list or otherwise identify an
745 individual-owned shared vehicle on a return or an attachment to a return.
- 746 (vi) A car-sharing program shall:
- 747 (A) retain tax information for each car-sharing program transaction; and
- 748 (B) provide the information described in Subsection (2)(e)(vi)(A) to the
749 commission at the commission's request.
- 750 (f) (i) For a bundled transaction that is attributable to food and food ingredients and
751 tangible personal property other than food and food ingredients, a state tax and a
752 local tax is imposed on the entire bundled transaction equal to the sum of:
- 753 (A) a state tax imposed on the entire bundled transaction equal to the sum of:
- 754 (I) the tax rate described in Subsection (2)(a)(i)(A); and
- 755 (II) (Aa) the tax rate the state imposes in accordance with Part 18,
756 Additional State Sales and Use Tax Act, if the location of the transaction
757 as determined under Sections 59-12-211 through 59-12-215 is in a
758 county in which the state imposes the tax under Part 18, Additional State
759 Sales and Use Tax Act; and
- 760 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental
761 State Sales and Use Tax Act, if the location of the transaction as
762 determined under Sections 59-12-211 through 59-12-215 is in a city,
763 town, or the unincorporated area of a county in which the state imposes
764 the tax under Part 20, Supplemental State Sales and Use Tax Act; and
- 765 (B) a local tax imposed on the entire bundled transaction at the sum of the tax
766 rates described in Subsection (2)(a)(ii).
- 767 (ii) If an optional computer software maintenance contract is a bundled transaction
768 that consists of taxable and nontaxable products that are not separately itemized
769 on an invoice or similar billing document, the purchase of the optional computer
770 software maintenance contract is 40% taxable under this chapter and 60%
771 nontaxable under this chapter.
- 772 (iii) Subject to Subsection (2)(f)(iv), for a bundled transaction other than a bundled
773 transaction described in Subsection (2)(f)(i) or (ii):
- 774 (A) if the sales price of the bundled transaction is attributable to tangible personal
775 property, a product, or a service that is subject to taxation under this chapter

and tangible personal property, a product, or service that is not subject to taxation under this chapter, the entire bundled transaction is subject to taxation under this chapter unless:

(I) the seller is able to identify by reasonable and verifiable standards the tangible personal property, product, or service that is not subject to taxation under this chapter from the books and records the seller keeps in the seller's regular course of business; or

(II) state or federal law provides otherwise; or

(B) if the sales price of a bundled transaction is attributable to two or more items of tangible personal property, products, or services that are subject to taxation under this chapter at different rates, the entire bundled transaction is subject to taxation under this chapter at the higher tax rate unless:

(I) the seller is able to identify by reasonable and verifiable standards the tangible personal property, product, or service that is subject to taxation under this chapter at the lower tax rate from the books and records the seller keeps in the seller's regular course of business; or

(II) state or federal law provides otherwise.

(iv) For purposes of Subsection (2)(f)(iii), books and records that a seller keeps in the seller's regular course of business includes books and records the seller keeps in the regular course of business for nontax purposes.

(g) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(g)(ii) and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental of tangible personal property, other property, a product, or a service that is not subject to taxation under this chapter, the entire transaction is subject to taxation under this chapter unless the seller, at the time of the transaction:

(A) separately states the portion of the transaction that is not subject to taxation under this chapter on an invoice, bill of sale, or similar document provided to the purchaser; or

(B) is able to identify by reasonable and verifiable standards, from the books and records the seller keeps in the seller's regular course of business, the portion of the transaction that is not subject to taxation under this chapter.

(ii) A purchaser and a seller may correct the taxability of a transaction if:

- 810 (A) after the transaction occurs, the purchaser and the seller discover that the
811 portion of the transaction that is not subject to taxation under this chapter was
812 not separately stated on an invoice, bill of sale, or similar document provided
813 to the purchaser because of an error or ignorance of the law; and
- 814 (B) the seller is able to identify by reasonable and verifiable standards, from the
815 books and records the seller keeps in the seller's regular course of business, the
816 portion of the transaction that is not subject to taxation under this chapter.
- 817 (iii) For purposes of Subsections (2)(g)(i) and (ii), books and records that a seller
818 keeps in the seller's regular course of business includes books and records the
819 seller keeps in the regular course of business for nontax purposes.
- 820 (h) (i) If the sales price of a transaction is attributable to two or more items of
821 tangible personal property, products, or services that are subject to taxation under
822 this chapter at different rates, the entire purchase is subject to taxation under this
823 chapter at the higher tax rate unless the seller, at the time of the transaction:
- 824 (A) separately states the items subject to taxation under this chapter at each of the
825 different rates on an invoice, bill of sale, or similar document provided to the
826 purchaser; or
- 827 (B) is able to identify by reasonable and verifiable standards the tangible personal
828 property, product, or service that is subject to taxation under this chapter at the
829 lower tax rate from the books and records the seller keeps in the seller's regular
830 course of business.
- 831 (ii) For purposes of Subsection (2)(h)(i), books and records that a seller keeps in the
832 seller's regular course of business includes books and records the seller keeps in
833 the regular course of business for nontax purposes.
- 834 (i) Subject to Subsections (2)(j) and (k), a tax rate repeal or tax rate change for a tax rate
835 imposed under the following shall take effect on the first day of a calendar quarter:
- 836 (i) Subsection (2)(a)(i)(A);
- 837 (ii) Subsection (2)(b)(i); or
- 838 (iii) Subsection (2)(f)(i)(A)(I).
- 839 (j) (i) A tax rate increase takes effect on the first day of the first billing period that
840 begins on or after the effective date of the tax rate increase if the billing period for
841 the transaction begins before the effective date of a tax rate increase imposed
842 under:
- 843 (A) Subsection (2)(a)(i)(A);

- 844 (B) Subsection (2)(b)(i); or
845 (C) Subsection (2)(f)(i)(A)(I).
- 846 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
847 statement for the billing period is rendered on or after the effective date of the
848 repeal of the tax or the tax rate decrease imposed under:
- 849 (A) Subsection (2)(a)(i)(A);
850 (B) Subsection (2)(b)(i); or
851 (C) Subsection (2)(f)(i)(A)(I).
- 852 (k) (i) For a tax rate described in Subsection (2)(k)(ii), if a tax due on a catalogue sale
853 is computed on the basis of sales and use tax rates published in the catalogue, a
854 tax rate repeal or change in a tax rate takes effect:
- 855 (A) on the first day of a calendar quarter; and
856 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate
857 change.
- 858 (ii) Subsection (2)(k)(i) applies to the tax rates described in the following:
- 859 (A) Subsection (2)(a)(i)(A);
860 (B) Subsection (2)(b)(i); or
861 (C) Subsection (2)(f)(i)(A)(I).
- 862 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
863 the commission may by rule define the term "catalogue sale."
- 864 (l) (i) For a location described in Subsection (2)(l)(ii), the commission shall
865 determine the taxable status of a sale of gas, electricity, heat, coal, fuel oil, or
866 other fuel based on the predominant use of the gas, electricity, heat, coal, fuel oil,
867 or other fuel at the location.
- 868 (ii) Subsection (2)(l)(i) applies to a location where gas, electricity, heat, coal, fuel oil,
869 or other fuel is furnished through a single meter for two or more of the following
870 uses:
- 871 (A) a commercial use;
872 (B) an industrial use; or
873 (C) a residential use.
- 874 (3) (a) The following state taxes shall be deposited into the General Fund:
- 875 (i) the tax imposed by Subsection (2)(a)(i)(A);
876 (ii) the tax imposed by Subsection (2)(b)(i); and
877 (iii) the tax imposed by Subsection (2)(f)(i)(A)(I).

(b) The following local taxes shall be distributed to a county, city, or town as provided in this chapter:

- (i) the tax imposed by Subsection (2)(a)(ii);
- (ii) the tax imposed by Subsection (2)(b)(ii);
- (iii) the tax imposed by Subsection (2)(c); and
- (iv) the tax imposed by Subsection (2)(f)(i)(B).

(c) The state tax imposed by Subsection (2)(d) shall be deposited into the General Fund.

(4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1, 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b) through (g):

- (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:
 - (A) by a 1/16% tax rate on the transactions described in Subsection (1); and
 - (B) for the fiscal year; or
- (ii) \$17,500,000.

(b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount described in Subsection (4)(a) shall be transferred each year as designated sales and use tax revenue to the Department of Natural Resources to:

- (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to protect sensitive plant and animal species; or
- (B) award grants, up to the amount authorized by the Legislature in an appropriations act, to political subdivisions of the state to implement the measures described in Subsections 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

(ii) Money transferred to the Department of Natural Resources under Subsection (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other person to list or attempt to have listed a species as threatened or endangered under the Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

(iii) At the end of each fiscal year:

- (A) 50% of any unexpended designated sales and use tax revenue shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24;
- (B) 25% of any unexpended designated sales and use tax revenue shall lapse to the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and

- 912 (C) 25% of any unexpended designated sales and use tax revenue shall lapse to the
913 Drinking Water Loan Program Subaccount created in Section 73-10c-5.
- 914 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in
915 Subsection (4)(a) shall be deposited each year in the Agriculture Resource
916 Development Fund created in Section 4-18-106.
- 917 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount
918 described in Subsection (4)(a) shall be transferred each year as designated sales
919 and use tax revenue to the Division of Water Rights to cover the costs incurred in
920 hiring legal and technical staff for the adjudication of water rights.
- 921 (ii) At the end of each fiscal year:
- 922 (A) 50% of any unexpended designated sales and use tax revenue shall lapse to
923 the Water Resources Conservation and Development Fund created in Section
924 73-10-24;
- 925 (B) 25% of any unexpended designated sales and use tax revenue shall lapse to the
926 Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and
- 927 (C) 25% of any unexpended designated sales and use tax revenue shall lapse to the
928 Drinking Water Loan Program Subaccount created in Section 73-10c-5.
- 929 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount
930 described in Subsection (4)(a) shall be deposited into the Water Resources
931 Conservation and Development Fund created in Section 73-10-24 for use by the
932 Division of Water Resources.
- 933 (ii) In addition to the uses allowed of the Water Resources Conservation and
934 Development Fund under Section 73-10-24, the Water Resources Conservation
935 and Development Fund may also be used to:
- 936 (A) conduct hydrologic and geotechnical investigations by the Division of Water
937 Resources in a cooperative effort with other state, federal, or local entities, for
938 the purpose of quantifying surface and ground water resources and describing
939 the hydrologic systems of an area in sufficient detail so as to enable local and
940 state resource managers to plan for and accommodate growth in water use
941 without jeopardizing the resource;
- 942 (B) fund state required dam safety improvements; and
- 943 (C) protect the state's interest in interstate water compact allocations, including the
944 hiring of technical and legal staff.
- 945 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described in

Subsection (4)(a) shall be deposited into the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

(g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described in Subsection (4)(a) shall be deposited into the Drinking Water Loan Program Subaccount created in Section 73-10c-5 for use by the Division of Drinking Water to:

- (i) provide for the installation and repair of collection, treatment, storage, and distribution facilities for any public water system, as defined in Section 19-4-102;
- (ii) develop underground sources of water, including springs and wells; and
- (iii) develop surface water sources.

(5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1, 2006, the difference between the following amounts shall be expended as provided in this Subsection (5), if that difference is greater than \$1:

- (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and
- (ii) \$17,500,000.

(b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:

- (A) transferred each fiscal year to the Department of Natural Resources as designated sales and use tax revenue; and
- (B) expended by the Department of Natural Resources for watershed rehabilitation or restoration.

(ii) At the end of each fiscal year, 100% of any unexpended designated sales and use tax revenue described in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24.

(c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the remaining difference described in Subsection (5)(a) shall be:

- (A) transferred each fiscal year to the Division of Water Resources as designated sales and use tax revenue; and
- (B) expended by the Division of Water Resources for cloud-seeding projects authorized by Title 73, Chapter 15, Modification of Weather.

(ii) At the end of each fiscal year, 100% of any unexpended designated sales and use tax revenue described in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24.

(d) After making the transfers required by Subsections (5)(b) and (c), 85% of the remaining difference described in Subsection (5)(a) shall be deposited into the Water Resources Conservation and Development Fund created in Section 73-10-24 for use by the Division of Water Resources for:

(i) preconstruction costs:

(A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter 26, Bear River Development Act; and

(B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;

(ii) the cost of employing a civil engineer to oversee any project authorized by Title 73, Chapter 26, Bear River Development Act;

(iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and

(iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).

(e) After making the transfers required by Subsections (5)(b) and (c), 15% of the remaining difference described in Subsection (5)(a) shall be deposited each year into the Water Rights Restricted Account created by Section 73-2-1.6.

(6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a), each fiscal year, the commission shall deposit into the Water Infrastructure Restricted Account created in Section 73-10g-103 the amount of revenue generated by a 1/16% tax rate on the transactions described in Subsection (1) for the fiscal year.

(7) (a) Notwithstanding Subsection (3)(a) and subject to ~~[Subsection (7)(b)]~~ Subsections (7)(b), (c), and (d), for a fiscal year beginning on or after July 1, 2023, the commission shall deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to 17% of the revenue collected from the following sales and use taxes:

(i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

(ii) the tax imposed by Subsection (2)(b)(i); and

(iii) the tax imposed by Subsection (2)(f)(i)(A)(I).

(b) ~~[(i) As used in this Subsection (7)(b):]~~

~~[(A) "Additional growth revenue" means the amount of relevant revenue collected in~~

- 1014 the current fiscal year that exceeds by more than 3% the relevant revenue
 1015 collected in the previous fiscal year.]
- 1016 [(B) "Combined amount" means the combined total amount of money deposited into
 1017 the Cottonwood Canyons fund under Subsections (7)(b)(iii) and (8)(d)(iii) in any
 1018 single fiscal year.]
- 1019 [(C) "Cottonwood Canyons fund" means the Cottonwood Canyons Transportation
 1020 Investment Fund created in Subsection 72-2-124(10).]
- 1021 [(D) "Relevant revenue" means the portion of taxes listed under Subsection (3)(a)
 1022 that equals 17% of the revenue collected from taxes described in Subsections
 1023 (7)(a)(i) through (iii).]
- 1024 [(ii) For a fiscal year beginning on or after July 1, 2020, the commission shall
 1025 annually reduce the deposit under Subsection (7)(a) into the Transportation
 1026 Investment Fund of 2005 by an amount equal to the amount of the deposit under
 1027 this Subsection (7)(b) to the Cottonwood Canyons fund in the previous fiscal year
 1028 plus 25% of additional growth revenue, subject to the limit in Subsection
 1029 (7)(b)(iii).]
- 1030 (i) For a fiscal year beginning on or after July 1, 2024, the commission shall annually
 1031 reduce the deposit under Subsection (7)(a) into the Transportation Investment
 1032 Fund of 2005 by an amount equal to .44% of the revenue collected from the
 1033 following sales and use taxes:
- 1034 (A) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
 1035 (B) the tax imposed by Subsection (2)(b)(i);
 1036 (C) the tax imposed by Subsection (2)(c)(i); and
 1037 (D) the tax imposed by Subsection (2)(f)(i)(A)(I).
- 1038 [(iii) (ii) The commission shall annually deposit the amount described in Subsection [
 1039 (7)(b)(ii)] (7)(b)(i) into the [Cottonwood Canyons fund, subject to an annual
 1040 maximum combined amount for any single fiscal year of \$20,000,000]
 1041 Cottonwood Canyons Transportation Investment Fund created in Section 72-2-124.
- 1042 [(iv) If the amount of relevant revenue declines in a fiscal year compared to the
 1043 previous fiscal year, the commission shall decrease the amount of the contribution
 1044 to the Cottonwood Canyons fund under this Subsection (7)(b) in the same
 1045 proportion as the decline in relevant revenue.]
- 1046 (c) (i) Subject to Subsection (7)(c)(ii), for a fiscal year beginning on or after July 1,
 1047 2023, the commission shall annually reduce the deposit into the Transportation

Investment Fund of 2005 under Subsections (7)(a) and (7)(b) by an amount that is equal to 5% of:

(A) the amount of revenue generated in the current fiscal year by the portion of taxes listed under Subsection (3)(a) that equals 20.68% of the revenue collected from taxes described in Subsections (7)(a)(i) through (iv);

(B) the amount of revenue generated in the current fiscal year by registration fees designated under Section 41-1a-1201 to be deposited into the Transportation Investment Fund of 2005; and

(C) revenues transferred by the Division of Finance to the Transportation Investment Fund of 2005 in accordance with Section 72-2-106 in the current fiscal year.

(ii) The amount described in Subsection (7)(c)(i) may not exceed \$45,000,000 in a given fiscal year.

(iii) The commission shall annually deposit the amount described in Subsection (7)(c)(i) into the Active Transportation Investment Fund created in Subsection 72-2-124(11).

(d) (i) For a fiscal year beginning on or after July 1, 2024, the commission shall annually reduce the deposit into the Transportation Investment Fund of 2005 under this Subsection (7) by an amount that is equal to 1% of the revenue collected from the following sales and use taxes:

(A) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

(B) the tax imposed by Subsection (2)(b)(i);

(C) the tax imposed by Subsection (2)(c)(i); and

(D) the tax imposed by Subsection (2)(f)(i)(A)(I).

(ii) The commission shall annually deposit the amount described in Subsection (7)(d)(i) into the Commuter Rail Subaccount created in Section 72-2-124.

(8) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under Subsection (7), and subject to Subsections (8)(b) and (d)(ii), for a fiscal year beginning on or after July 1, 2018, the commission shall annually deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under Subsection (3)(a) in an amount equal to 3.68% of the revenues collected from the following taxes:

(i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

(ii) the tax imposed by Subsection (2)(b)(i); and

- 1082 (iii) the tax imposed by Subsection (2)(f)(i)(A)(I).
- 1083 (b) For a fiscal year beginning on or after July 1, 2019, the commission shall annually
- 1084 reduce the deposit into the Transportation Investment Fund of 2005 under Subsection
- 1085 (8)(a) by an amount that is equal to 35% of the amount of revenue generated in the
- 1086 current fiscal year by the portion of the tax imposed on motor and special fuel that is
- 1087 sold, used, or received for sale or use in this state that exceeds 29.4 cents per gallon.
- 1088 (c) The commission shall annually deposit the amount described in Subsection (8)(b)
- 1089 into the Transit Transportation Investment Fund created in Section 72-2-124.
- 1090 [(d) (i) As used in this Subsection (8)(d):]
- 1091 [(A) "Additional growth revenue" means the amount of relevant revenue collected in
- 1092 the current fiscal year that exceeds by more than 3% the relevant revenue collected in
- 1093 the previous fiscal year.]
- 1094 [(B) "Combined amount" means the combined total amount of money deposited into
- 1095 the Cottonwood Canyons fund under Subsections (7)(b)(iii) and (8)(d)(iii) in any
- 1096 single fiscal year.]
- 1097 [(C) "Cottonwood Canyons fund" means the Cottonwood Canyons Transportation
- 1098 Investment Fund created in Subsection 72-2-124(10).]
- 1099 [(D) "Relevant revenue" means the portion of taxes listed under Subsection (3)(a) that
- 1100 equals 3.68% of the revenue collected from taxes described in Subsections (8)(a)(i)
- 1101 through (iii).]
- 1102 [(ii) For a fiscal year beginning on or after July 1, 2020, the commission shall annually
- 1103 reduce the deposit under Subsection (8)(a) into the Transportation Investment Fund
- 1104 of 2005 by an amount equal to the amount of the deposit under this Subsection (8)(d)
- 1105 to the Cottonwood Canyons fund in the previous fiscal year plus 25% of additional
- 1106 growth revenue, subject to the limit in Subsection (8)(d)(iii).]
- 1107 [(iii) The commission shall annually deposit the amount described in Subsection
- 1108 (8)(d)(ii) into the Cottonwood Canyons fund, subject to an annual maximum
- 1109 combined amount for any single fiscal year of \$20,000,000.]
- 1110 [(iv) If the amount of relevant revenue declines in a fiscal year compared to the
- 1111 previous fiscal year, the commission shall decrease the amount of the contribution to
- 1112 the Cottonwood Canyons fund under this Subsection (8)(d) in the same proportion as
- 1113 the decline in relevant revenue.]
- 1114 (9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
- 1115 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies

- 1116 Fund created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.
- 1117 (10) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the fiscal
1118 year during which the commission receives notice under Section 63N-2-510 that
1119 construction on a qualified hotel, as defined in Section 63N-2-502, has begun, the
1120 commission shall, for two consecutive fiscal years, annually deposit \$1,900,000 of the
1121 revenue generated by the taxes listed under Subsection (3)(a) into the Hotel Impact
1122 Mitigation Fund, created in Section 63N-2-512.
- 1123 (11) (a) The rate specified in this subsection is 0.15%.
- 1124 (b) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year beginning
1125 on or after July 1, 2019, annually transfer the amount of revenue collected from the
1126 rate described in Subsection (11)(a) on the transactions that are subject to the sales
1127 and use tax under Subsection (2)(a)(i)(A) into the Medicaid Expansion Fund created
1128 in Section 26B-1-315.
- 1129 (12) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
1130 2020-21, the commission shall deposit \$200,000 into the General Fund as a dedicated
1131 credit solely for use of the Search and Rescue Financial Assistance Program created in,
1132 and expended in accordance with, Title 53, Chapter 2a, Part 11, Search and Rescue Act.
- 1133 (13) (a) For each fiscal year beginning with fiscal year 2020-21, the commission shall
1134 annually transfer \$1,813,400 of the revenue deposited into the Transportation
1135 Investment Fund of 2005 under Subsections (7) and (8) to the General Fund.
- 1136 (b) If the total revenue deposited into the Transportation Investment Fund of 2005 under
1137 Subsections (7) and (8) is less than \$1,813,400 for a fiscal year, the commission shall
1138 transfer the total revenue deposited into the Transportation Investment Fund of 2005
1139 under Subsections (7) and (8) during the fiscal year to the General Fund.
- 1140 (14) Notwithstanding Subsection (3)(a), and as described in Section 63N-3-610, beginning
1141 the first day of the calendar quarter one year after the sales and use tax boundary for a
1142 housing and transit reinvestment zone is established, the commission, at least annually,
1143 shall transfer an amount equal to 15% of the sales and use tax increment within an
1144 established sales and use tax boundary, as defined in Section 63N-3-602, into the Transit
1145 Transportation Investment Fund created in Section 72-2-124.
- 1146 (15) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year beginning
1147 on or after July 1, 2022, transfer into the Outdoor Adventure Infrastructure Restricted
1148 Account, created in Section 51-9-902, a portion of the taxes listed under Subsection
1149 (3)(a) equal to 1% of the revenues collected from the following sales and use taxes:

1150 (a) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

1151 (b) the tax imposed by Subsection (2)(b)(i); and

1152 (c) the tax imposed by Subsection (2)(f)(i)(A)(I).

1153 Section 3. Section **59-12-2216** is amended to read:

1154 **59-12-2216 (Effective 07/01/24). County option sales and use tax for a fixed**

1155 **guideway, to fund a system for public transit, or for highways -- Base -- Rate --**

1156 **Allocation and expenditure of revenues.**

1157 (1) Subject to the other provisions of this part, a county legislative body may impose a sales
1158 and use tax of up to .30% on the transactions described in Subsection 59-12-103(1)
1159 within the county, including the cities and towns within the county.

1160 (2) (a) Subject to Subsection (3), before obtaining voter approval in accordance with
1161 Section 59-12-2208, a county legislative body shall adopt a resolution specifying the
1162 percentage of revenues the county will receive from the sales and use tax under this
1163 section that will be allocated to fund uses described in Section 59-12-2212.2.

1164 (b) A county legislative body of a county of the third through sixth class that imposes a
1165 sales and use tax as described in Subsection (1) on or after January 1, 2024, shall
1166 specify the percentage of revenues the county will receive from the sales and use tax
1167 under this section that will be allocated to fund uses described in Section
1168 59-12-2212.2 or for public safety purposes as provided in Subsection (3)(b).

1169 (3) (a) [A] Except as provided in Subsection (2)(b), a county legislative body shall in the
1170 resolution described in Subsection (2) allocate 100% of the revenues the county will
1171 receive from the sales and use tax under this section for one or more of the purposes
1172 described in Section 59-12-2212.2.

1173 (b) In addition to the purposes described in Section 59-12-2212.2, a county legislative
1174 body of a county of the third through sixth class that imposes a sales and use tax as
1175 authorized in this section on or after January 1, 2024, may allocate revenues to public
1176 safety purposes.

1177 (4) Notwithstanding Section 59-12-2208, the opinion question required by Section
1178 59-12-2208 shall state the allocations the county legislative body makes in accordance
1179 with this section.

1180 (5) The revenues collected from a sales and use tax under this section shall be:

1181 (a) allocated in accordance with the allocations specified in the resolution under
1182 Subsection (2); and

1183 (b) expended as provided in this section.

- (6) If a county legislative body allocates revenues collected from a sales and use tax under this section for a state highway project, before beginning the state highway project within the county, the county legislative body shall:
- (a) obtain approval from the Transportation Commission to complete the project; and
 - (b) enter into an interlocal agreement established in accordance with Title 11, Chapter 13, Interlocal Cooperation Act, with the Department of Transportation to complete the project.
- (7) (a) If after a county legislative body imposes a sales and use tax under this section the county legislative body seeks to change an allocation specified in the resolution under Subsection (2), the county legislative body may change the allocation by:
- ~~[(a)]~~ (i) adopting a resolution ~~[in accordance with Subsection (2)]~~ specifying the percentage of revenues the county will receive from the sales and use tax under this section that will be allocated to fund one or more of the items described in Section 59-12-2212.2[;] or Subsection (2)(b); and
 - ~~[(b)]~~ (ii) obtaining approval to change the allocation of the sales and use tax by a majority of all of the members of the county legislative body; and
 - ~~[(c)]~~ (iii) subject to Subsection (8)(a):
 - ~~[(i)]~~ (A) in accordance with Section 59-12-2208, submitting an opinion question to the county's registered voters voting on changing the allocation so that each registered voter has the opportunity to express the registered voter's opinion on whether the allocation should be changed; and
 - ~~[(ii)]~~ (B) in accordance with Section 59-12-2208, obtaining approval to change the allocation from a majority of the county's registered voters voting on changing the allocation.
- (b) A county of the third through sixth class that imposes a sales and use tax as authorized in this section on or after January 1, 2024, that seeks to change the allocation of the revenues is not required to submit the opinion question to the county's registered voters.
- (8) (a) Notwithstanding Section 59-12-2208, the opinion question required by Subsection (7)(c)(i) shall state the allocations specified in the resolution adopted in accordance with Subsection (7)(a) and approved by the county legislative body in accordance with Subsection (7)(b).
- (b) Notwithstanding Section 59-12-2208, a county legislative body of a county of the third through sixth class that imposes a sales and use tax under this section on or after

1218 January 1, 2024, may, but is not required to, submit an opinion question to the
1219 county's registered voters in accordance with Section 59-12-2208 to impose a sales
1220 and use tax under this section.

1221 (9) Revenues collected from a sales and use tax under this section that a county allocates
1222 for a state highway within the county shall be:

1223 (a) deposited into the Highway Projects Within Counties Fund created by Section
1224 72-2-121.1; and

1225 (b) expended as provided in Section 72-2-121.1.

1226 (10) (a) Notwithstanding Section 59-12-2206 and subject to Subsection (10)(b),
1227 revenues collected from a sales and use tax under this section that a county allocates
1228 for a project, debt service, or bond issuance cost relating to a highway that is a
1229 principal arterial highway or minor arterial highway that is included in a metropolitan
1230 planning organization's regional transportation plan, but is not a state highway, shall
1231 be transferred to the Department of Transportation if the transfer of the revenues is
1232 required under an interlocal agreement:

1233 (i) entered into on or before January 1, 2010; and

1234 (ii) established in accordance with Title 11, Chapter 13, Interlocal Cooperation Act.

1235 (b) The Department of Transportation shall expend the revenues described in Subsection
1236 (10)(a) as provided in the interlocal agreement described in Subsection (10)(a).

1237 Section 4. Section **59-12-2220** is amended to read:

1238 **59-12-2220 (Effective 07/01/24). County option sales and use tax to fund**
1239 **highways or a system for public transit -- Base -- Rate.**

1240 (1) Subject to the other provisions of this part and subject to the requirements of this
1241 section, the following counties may impose a sales and use tax under this section:

1242 (a) a county legislative body may impose the sales and use tax on the transactions
1243 described in Subsection 59-12-103(1) located within the county, including the cities
1244 and towns within the county if:

1245 (i) the entire boundary of a county is annexed into a large public transit district; and

1246 (ii) the maximum amount of sales and use tax authorizations allowed pursuant to

1247 Section 59-12-2203 and authorized under the following sections has been imposed:

1248 (A) Section 59-12-2213;

1249 (B) Section 59-12-2214;

1250 (C) Section 59-12-2215;

1251 (D) Section 59-12-2216;

- 1252 (E) Section 59-12-2217;
1253 (F) Section 59-12-2218; and
1254 (G) Section 59-12-2219;
- 1255 (b) if the county is not annexed into a large public transit district, the county legislative
1256 body may impose the sales and use tax on the transactions described in Subsection
1257 59-12-103(1) located within the county, including the cities and towns within the
1258 county if:
- 1259 (i) the county is an eligible political subdivision; or
1260 (ii) a city or town within the boundary of the county is an eligible political
1261 subdivision; or
- 1262 (c) a county legislative body of a county not described in Subsection (1)(a) or (1)(b) may
1263 impose the sales and use tax on the transactions described in Subsection 59-12-103
1264 (1) located within the county, including the cities and towns within the county.
- 1265 (2) For purposes of Subsection (1) and subject to the other provisions of this section, a
1266 county legislative body that imposes a sales and use tax under this section may impose
1267 the tax at a rate of .2%.
- 1268 (3) (a) The commission shall distribute sales and use tax revenue collected under this
1269 section as determined by a county legislative body as described in Subsection (3)(b).
1270 (b) If a county legislative body imposes a sales and use tax as described in this section,
1271 the county legislative body may elect to impose a sales and use tax revenue
1272 distribution as described in Subsection (4), (5), (6), or (7), depending on the class of
1273 county, and presence and type of a public transit provider in the county.
- 1274 (4) If a county legislative body imposes a sales and use tax as described in this section, and
1275 the entire boundary of the county is annexed into a large public transit district, and the
1276 county is a county of the first class, the commission shall distribute the sales and use tax
1277 revenue as follows:
- 1278 (a) .10% to a public transit district as described in Subsection (11);
1279 (b) .05% to the cities and towns as provided in Subsection (8); and
1280 (c) .05% to the county legislative body.
- 1281 (5) If a county legislative body imposes a sales and use tax as described in this section and
1282 the entire boundary of the county is annexed into a large public transit district, and the
1283 county is a county not described in Subsection (4), the commission shall distribute the
1284 sales and use tax revenue as follows:
- 1285 (a) .10% to a public transit district as described in Subsection (11);

- 1286 (b) .05% to the cities and towns as provided in Subsection (8); and
1287 (c) .05% to the county legislative body.
- 1288 (6) (a) Except as provided in Subsection (12)(c), if the entire boundary of a county that
1289 imposes a sales and use tax as described in this section is not annexed into a single
1290 public transit district, but a city or town within the county is annexed into a single
1291 public transit district, or if the city or town is an eligible political subdivision, the
1292 commission shall distribute the sales and use tax revenue collected within the county
1293 as provided in Subsection (6)(b) or (c).
- 1294 (b) For a city, town, or portion of the county described in Subsection (6)(a) that is
1295 annexed into the single public transit district, or an eligible political subdivision, the
1296 commission shall distribute the sales and use tax revenue collected within the portion
1297 of the county that is within a public transit district or eligible political subdivision as
1298 follows:
- 1299 (i) .05% to a public transit provider as described in Subsection (11);
1300 (ii) .075% to the cities and towns as provided in Subsection (8); and
1301 (iii) .075% to the county legislative body.
- 1302 (c) Except as provided in Subsection (12)(c), for a city, town, or portion of the county
1303 described in Subsection (6)(a) that is not annexed into a single public transit district
1304 or eligible political subdivision in the county, the commission shall distribute the
1305 sales and use tax revenue collected within that portion of the county as follows:
- 1306 (i) .08% to the cities and towns as provided in Subsection (8); and
1307 (ii) .12% to the county legislative body.
- 1308 (7) For a county without a public transit service that imposes a sales and use tax as
1309 described in this section, the commission shall distribute the sales and use tax revenue
1310 collected within the county as follows:
- 1311 (a) .08% to the cities and towns as provided in Subsection (8); and
1312 (b) .12% to the county legislative body.
- 1313 (8) (a) Subject to Subsections (8)(b) and (c), the commission shall make the distributions
1314 required by Subsections (4)(b), (5)(b), (6)(b)(ii), (6)(c)(i), and (7)(a) as follows:
- 1315 (i) 50% of the total revenue collected under Subsections (4)(b), (5)(b), (6)(b)(ii),
1316 (6)(c)(i), and (7)(a) within the counties that impose a tax under Subsections (4)
1317 through (7) shall be distributed to the unincorporated areas, cities, and towns
1318 within those counties on the basis of the percentage that the population of each
1319 unincorporated area, city, or town bears to the total population of all of the

- 1320 counties that impose a tax under this section; and
- 1321 (ii) 50% of the total revenue collected under Subsections (4)(b), (5)(b), (6)(b)(ii),
1322 (6)(c)(i), and (7)(a) within the counties that impose a tax under Subsections (4)
1323 through (7) shall be distributed to the unincorporated areas, cities, and towns
1324 within those counties on the basis of the location of the transaction as determined
1325 under Sections 59-12-211 through 59-12-215.
- 1326 (b) (i) Population for purposes of this Subsection (8) shall be determined on the basis
1327 of the most recent official census or census estimate of the United States Census
1328 Bureau.
- 1329 (ii) If a needed population estimate is not available from the United States Census
1330 Bureau, population figures shall be derived from an estimate from the Utah
1331 Population Estimates Committee created by executive order of the governor.
- 1332 (c) (i) Beginning on January 1, 2024, if the Housing and Community Development
1333 Division within the Department of Workforce Services determines that a city,
1334 town, or metro township is ineligible for funds in accordance with Subsection
1335 10-9a-408(7), beginning the first day of the calendar quarter after receiving 90
1336 days' notice, the commission shall distribute the distribution that city, town, or
1337 metro township would have received under Subsection (8)(a) to cities, towns, or
1338 metro townships to which Subsection 10-9a-408(7) does not apply.
- 1339 (ii) Beginning on January 1, 2024, if the Housing and Community Development
1340 Division within the Department of Workforce Services determines that a county is
1341 ineligible for funds in accordance with Subsection 17-27a-408(7), beginning the
1342 first day of the calendar quarter after receiving 90 days' notice, the commission
1343 shall distribute the distribution that county would have received under Subsection
1344 (8)(a) to counties to which Subsection 17-27a-408(7) does not apply.
- 1345 (9) If a public transit service is organized after the date a county legislative body first
1346 imposes a tax under this section, a change in a distribution required by this section may
1347 not take effect until the first distribution the commission makes under this section after a
1348 90-day period that begins on the date the commission receives written notice from the
1349 public transit provider that the public transit service has been organized.
- 1350 (10) (a) [A] Except as provided in Subsection (10)(b), a county, city, or town that
1351 received distributions described in Subsections (4)(b), (4)(c), (5)(b), (5)(c), (6)(b)(ii),
1352 (6)(b)(iii), (6)(c), and (7) may only expend those funds for a purpose described in
1353 Section 59-12-2212.2.

(b) If a county described in Subsection (1)(a) that is a county of the first class imposes the sales and use tax authorized in this section, the county may also use funds distributed in accordance with Subsection (4)(c) for public safety purposes.

(11) (a) Subject to Subsections (11)(b), (c), and (d), revenue designated for public transit as described in this section may be used for capital expenses and service delivery expenses of:

- (i) a public transit district;
- (ii) an eligible political subdivision; or
- (iii) another entity providing a service for public transit or a transit facility within the relevant county, as those terms are defined in Section 17B-2a-802.

(b) (i) If a county of the first class imposes a sales and use tax described in this section, for a three-year period following the date on which the county imposes the sales and use tax under this section, revenue designated for public transit within a county of the first class as described in Subsection (4)(a) shall be transferred to the County of the First Class Highway Projects Fund created in Section 72-2-121.

(ii) If a county of the first class imposes a sales and use tax described in this section, beginning on the day three years after the date on which the county imposed the tax as described in Subsection (11)(b)(i), for revenue designated for public transit as described in Subsection (4)(a):

(A) 50% of the revenue from a sales and use tax imposed under this section in a county of the first class shall be transferred to the County of the First Class Highway Projects Fund created in Section 72-2-121; and

(B) 50% of the revenue from a sales and use tax imposed under this section in a county of the first class shall be transferred to the Transit Transportation Investment Fund created in Subsection 72-2-124(9).

(c) (i) If a county that is not a county of the first class for which the entire boundary of the county is annexed into a large public transit district imposes a sales and use tax described in this section, for a three-year period following the date on which the county imposes the sales and use tax under this section, revenue designated for public transit as described in Subsection (5)(a) shall be transferred to the relevant county legislative body to be used for a purpose described in Subsection (11)(a).

(ii) If a county that is not a county of the first class for which the entire boundary of the county is annexed into a large public transit district imposes a sales and use

- 1388 tax described in this section, beginning on the day three years after the date on
1389 which the county imposed the tax as described in Subsection (11)(c)(i), for the
1390 revenue that is designated for public transit in Subsection (5)(a):
- 1391 (A) 50% shall be transferred to the Transit Transportation Investment Fund
1392 created in Subsection 72-2-124(9); and
- 1393 (B) 50% shall be transferred to the relevant county legislative body to be used for
1394 a purpose described in Subsection (11)(a).
- 1395 (d) Except as provided in Subsection (12)(c), for a county that imposes a sales and use
1396 tax under this section, for revenue designated for public transit as described in
1397 Subsection (6)(b)(i), the revenue shall be transferred to the relevant county legislative
1398 body to be used for a purpose described in Subsection (11)(a).
- 1399 (12) (a) Notwithstanding Section 59-12-2208, a county legislative body may, but is not
1400 required to, submit an opinion question to the county's registered voters in
1401 accordance with Section 59-12-2208 to impose a sales and use tax under this section.
- 1402 (b) If a county passes an ordinance to impose a sales and use tax as described in this
1403 section, the sales and use tax shall take effect on the first day of the calendar quarter
1404 after a 90-day period that begins on the date the commission receives written notice
1405 from the county of the passage of the ordinance.
- 1406 (c) A county that imposed the local option sales and use tax described in this section
1407 before January 1, 2023, may maintain that county's distribution allocation in place as
1408 of January 1, 2023.
- 1409 (13) (a) Revenue collected from a sales and use tax under this section may not be used to
1410 supplant existing General Fund appropriations that a county, city, or town budgeted
1411 for transportation or public transit as of the date the tax becomes effective for a
1412 county, city, or town.
- 1413 (b) The limitation under Subsection (13)(a) does not apply to a designated transportation
1414 or public transit capital or reserve account a county, city, or town established before
1415 the date the tax becomes effective.
- 1416 Section 5. Section **63B-31-103** is amended to read:
- 1417 **63B-31-103 (Effective 07/01/24). Transportation bonds -- Maximum amount --**
1418 **Use for State Infrastructure Bank Fund loans.**
- 1419 (1) (a) Subject to the restriction in Subsection (1)(c), the total amount of bonds issued
1420 under this section may not exceed \$30,000,000.
- 1421 (b) When the Department of Transportation certifies to the commission the amount of

bond proceeds that the commission needs to provide funding for the purposes described in Subsection (2), the commission may issue and sell general obligation bonds in an amount equal to the certified amount plus costs of issuance.

- (c) The commission may not issue general obligation bonds authorized under this section if the issuance for general obligation bonds would result in the total current outstanding general obligation debt of the state exceeding 50% of the limitation described in the Utah Constitution, Article XIV, Section 1.

- (2) (a) Proceeds from the bonds issued under this section shall be provided to the Department of Transportation to transfer to the State Infrastructure Bank Fund created in Section 72-2-202 to be used to issue loans pursuant to Title 72, Chapter 2, Part 2, State Infrastructure Bank Fund.

- (b) Any distribution from the State Infrastructure Bank Fund shall be contingent upon a commitment from the borrower that revenue is available to repay the loan from the State Infrastructure Bank Fund which shall be paid in whole or in part from revenue distributions described in Subsection [~~72-2-121(4)(k)~~] 72-2-121(4)(j).

- (c) Notwithstanding Subsection 72-2-204(2), a loan or assistance made with proceeds from bonds issued under this section shall bear an interest rate not to exceed .5% above the bond market interest rate available to the state for an issuance under this section.

Section 6. Section **63J-1-602.1** is amended to read:

63J-1-602.1 (Effective 07/01/24). List of nonlapsing appropriations from accounts and funds.

Appropriations made from the following accounts or funds are nonlapsing:

- (1) The Native American Repatriation Restricted Account created in Section 9-9-407.
- (2) Certain money payable for expenses of the Pete Suazo Utah Athletic Commission, as provided under Title 9, Chapter 23, Pete Suazo Utah Athletic Commission Act.
- (3) Funds collected for directing and administering the C-PACE district created in Section 11-42a-106.
- (4) Money received by the Utah Inland Port Authority, as provided in Section 11-58-105.
- (5) The Commerce Electronic Payment Fee Restricted Account created in Section 13-1-17.
- (6) The Division of Air Quality Oil, Gas, and Mining Restricted Account created in Section 19-2a-106.
- (7) The Division of Water Quality Oil, Gas, and Mining Restricted Account created in Section 19-5-126.

- 1456 (8) State funds for matching federal funds in the Children's Health Insurance Program as
1457 provided in Section 26B-3-906.
- 1458 (9) Funds collected from the program fund for local health department expenses incurred in
1459 responding to a local health emergency under Section 26B-7-111.
- 1460 (10) The Technology Development Restricted Account created in Section 31A-3-104.
- 1461 (11) The Criminal Background Check Restricted Account created in Section 31A-3-105.
- 1462 (12) The Captive Insurance Restricted Account created in Section 31A-3-304, except to the
1463 extent that Section 31A-3-304 makes the money received under that section free revenue.
- 1464 (13) The Title Licensee Enforcement Restricted Account created in Section 31A-23a-415.
- 1465 (14) The Health Insurance Actuarial Review Restricted Account created in Section
1466 31A-30-115.
- 1467 (15) The State Mandated Insurer Payments Restricted Account created in Section
1468 31A-30-118.
- 1469 (16) The Insurance Fraud Investigation Restricted Account created in Section 31A-31-108.
- 1470 (17) The Underage Drinking Prevention Media and Education Campaign Restricted
1471 Account created in Section 32B-2-306.
- 1472 (18) The Drinking While Pregnant Prevention Media and Education Campaign Restricted
1473 Account created in Section 32B-2-308.
- 1474 (19) The School Readiness Restricted Account created in Section 35A-15-203.
- 1475 (20) Money received by the Utah State Office of Rehabilitation for the sale of certain
1476 products or services, as provided in Section 35A-13-202.
- 1477 (21) The Oil and Gas Administrative Penalties Account created in Section 40-6-11.
- 1478 (22) The Oil and Gas Conservation Account created in Section 40-6-14.5.
- 1479 (23) The Division of Oil, Gas, and Mining Restricted account created in Section 40-6-23.
- 1480 (24) The Electronic Payment Fee Restricted Account created by Section 41-1a-121 to the
1481 Motor Vehicle Division.
- 1482 (25) The License Plate Restricted Account created by Section 41-1a-122.
- 1483 (26) The Motor Vehicle Enforcement Division Temporary Permit Restricted Account
1484 created by Section 41-3-110 to the State Tax Commission.
- 1485 (27) The State Disaster Recovery Restricted Account to the Division of Emergency
1486 Management, as provided in Section 53-2a-603.
- 1487 (28) The Response, Recovery, and Post-disaster Mitigation Restricted Account created in
1488 Section 53-2a-1302.
- 1489 (29) The Department of Public Safety Restricted Account to the Department of Public

- 1490 Safety, as provided in Section 53-3-106.
- 1491 (30) The Utah Highway Patrol Aero Bureau Restricted Account created in Section 53-8-303.
- 1492 (31) The DNA Specimen Restricted Account created in Section 53-10-407.
- 1493 (32) The Technical Colleges Capital Projects Fund created in Section 53B-2a-118.
- 1494 (33) The Higher Education Capital Projects Fund created in Section 53B-22-202.
- 1495 (34) A certain portion of money collected for administrative costs under the School
- 1496 Institutional Trust Lands Management Act, as provided under Section 53C-3-202.
- 1497 (35) The Public Utility Regulatory Restricted Account created in Section 54-5-1.5, subject
- 1498 to Subsection 54-5-1.5(4)(d).
- 1499 (36) Funds collected from a surcharge fee to provide certain licensees with access to an
- 1500 electronic reference library, as provided in Section 58-3a-105.
- 1501 (37) Certain fines collected by the Division of Professional Licensing for violation of
- 1502 unlawful or unprofessional conduct that are used for education and enforcement
- 1503 purposes, as provided in Section 58-17b-505.
- 1504 (38) Funds collected from a surcharge fee to provide certain licensees with access to an
- 1505 electronic reference library, as provided in Section 58-22-104.
- 1506 (39) Funds collected from a surcharge fee to provide certain licensees with access to an
- 1507 electronic reference library, as provided in Section 58-55-106.
- 1508 (40) Funds collected from a surcharge fee to provide certain licensees with access to an
- 1509 electronic reference library, as provided in Section 58-56-3.5.
- 1510 (41) Certain fines collected by the Division of Professional Licensing for use in education
- 1511 and enforcement of the Security Personnel Licensing Act, as provided in Section
- 1512 58-63-103.
- 1513 (42) The Relative Value Study Restricted Account created in Section 59-9-105.
- 1514 (43) The Cigarette Tax Restricted Account created in Section 59-14-204.
- 1515 (44) Funds paid to the Division of Real Estate for the cost of a criminal background check
- 1516 for a mortgage loan license, as provided in Section 61-2c-202.
- 1517 (45) Funds paid to the Division of Real Estate for the cost of a criminal background check
- 1518 for principal broker, associate broker, and sales agent licenses, as provided in Section
- 1519 61-2f-204.
- 1520 (46) Certain funds donated to the Department of Health and Human Services, as provided
- 1521 in Section 26B-1-202.
- 1522 (47) Certain funds donated to the Division of Child and Family Services, as provided in
- 1523 Section 80-2-404.

- 1524 (48) Funds collected by the Office of Administrative Rules for publishing, as provided in
 1525 Section 63G-3-402.
- 1526 (49) The Immigration Act Restricted Account created in Section 63G-12-103.
- 1527 (50) Money received by the military installation development authority, as provided in
 1528 Section 63H-1-504.
- 1529 (51) The Computer Aided Dispatch Restricted Account created in Section 63H-7a-303.
- 1530 (52) The Unified Statewide 911 Emergency Service Account created in Section 63H-7a-304.
- 1531 (53) The Utah Statewide Radio System Restricted Account created in Section 63H-7a-403.
- 1532 (54) The Utah Capital Investment Restricted Account created in Section 63N-6-204.
- 1533 (55) The Motion Picture Incentive Account created in Section 63N-8-103.
- 1534 (56) Funds collected by the housing of state probationary inmates or state parole inmates, as
 1535 provided in Subsection 64-13e-104(2).
- 1536 (57) Certain forestry and fire control funds utilized by the Division of Forestry, Fire, and
 1537 State Lands, as provided in Section 65A-8-103.
- 1538 (58) The following funds or accounts created in Section 72-2-124:
- 1539 (a) Transportation Investment Fund of 2005;
- 1540 (b) Transit Transportation Investment Fund;
- 1541 (c) Cottonwood Canyons Transportation Investment Fund;
- 1542 (d) Active Transportation Investment Fund; and
- 1543 (e) Commuter Rail Subaccount.
- 1544 ~~[(58)]~~ (59) The Amusement Ride Safety Restricted Account, as provided in Section
 1545 72-16-204.
- 1546 ~~[(59)]~~ (60) Certain funds received by the Office of the State Engineer for well drilling fines
 1547 or bonds, as provided in Section 73-3-25.
- 1548 ~~[(60)]~~ (61) The Water Resources Conservation and Development Fund, as provided in
 1549 Section 73-23-2.
- 1550 ~~[(61)]~~ (62) Award money under the State Asset Forfeiture Grant Program, as provided under
 1551 Section 77-11b-403.
- 1552 ~~[(62)]~~ (63) Funds donated or paid to a juvenile court by private sources, as provided in
 1553 Subsection 78A-6-203(1)(c).
- 1554 ~~[(63)]~~ (64) Fees for certificate of admission created under Section 78A-9-102.
- 1555 ~~[(64)]~~ (65) Funds collected for adoption document access as provided in Sections 78B-6-141,
 1556 78B-6-144, and 78B-6-144.5.
- 1557 ~~[(65)]~~ (66) Funds collected for indigent defense as provided in Title 78B, Chapter 22, Part 4,

- 1558 Utah Indigent Defense Commission.
- 1559 [(66)] (67) The Utah Geological Survey Oil, Gas, and Mining Restricted Account created in
1560 Section 79-3-403.
- 1561 [(67)] (68) Revenue for golf user fees at the Wasatch Mountain State Park, Palisades State
1562 Park, and Green River State Park, as provided under Section 79-4-403.
- 1563 [(68)] (69) Certain funds received by the Division of State Parks from the sale or disposal of
1564 buffalo, as provided under Section 79-4-1001.
- 1565 Section 7. Section **72-2-121** is amended to read:
- 1566 **72-2-121 (Effective 07/01/24). County of the First Class Highway Projects Fund.**
- 1567 (1) There is created a special revenue fund within the Transportation Fund known as the
1568 "County of the First Class Highway Projects Fund."
- 1569 (2) The fund consists of money generated from the following revenue sources:
- 1570 (a) any voluntary contributions received for new construction, major renovations, and
1571 improvements to highways within a county of the first class;
- 1572 (b) the portion of the sales and use tax described in Subsection 59-12-2214(3)(b)
1573 deposited into or transferred to the fund;
- 1574 (c) the portion of the sales and use tax described in Section 59-12-2217 deposited into or
1575 transferred to the fund;
- 1576 (d) a portion of the local option highway construction and transportation corridor
1577 preservation fee imposed in a county of the first class under Section 41-1a-1222
1578 deposited into or transferred to the fund; and
- 1579 (e) the portion of the sales and use tax transferred into the fund as described in
1580 Subsections 59-12-2220(4)(a) and 59-12-2220(11)(b).
- 1581 (3) (a) The fund shall earn interest.
- 1582 (b) All interest earned on fund money shall be deposited into the fund.
- 1583 (4) Subject to Subsection (9), the executive director shall use the fund money only:
- 1584 (a) to pay debt service and bond issuance costs for bonds issued under Sections
1585 63B-16-102, 63B-18-402, and 63B-27-102;
- 1586 (b) for right-of-way acquisition, new construction, major renovations, and improvements
1587 to highways within a county of the first class and to pay any debt service and bond
1588 issuance costs related to those projects, including improvements to a highway located
1589 within a municipality in a county of the first class where the municipality is located
1590 within the boundaries of more than a single county;
- 1591 (c) for the construction, acquisition, use, maintenance, or operation of:

- 1592 (i) an active transportation facility for nonmotorized vehicles;
1593 (ii) multimodal transportation that connects an origin with a destination; or
1594 (iii) a facility that may include a:
1595 (A) pedestrian or nonmotorized vehicle trail;
1596 (B) nonmotorized vehicle storage facility;
1597 (C) pedestrian or vehicle bridge; or
1598 (D) vehicle parking lot or parking structure;
- 1599 (d) to transfer to the 2010 Salt Lake County Revenue Bond Sinking Fund created by
1600 Section 72-2-121.3 the amount required in Subsection 72-2-121.3(4)(c) minus the
1601 amounts transferred in accordance with Subsection 72-2-124(4)(a)(iv);
- 1602 (e) for a fiscal year beginning on or after July 1, 2013, to pay debt service and bond
1603 issuance costs for \$30,000,000 of the bonds issued under Section 63B-18-401 for the
1604 projects described in Subsection 63B-18-401(4)(a);
- 1605 (f) for a fiscal year beginning on or after July 1, 2013, and after the department has
1606 verified that the amount required under Subsection 72-2-121.3(4)(c) is available in
1607 the fund, to transfer an amount equal to 50% of the revenue generated by the local
1608 option highway construction and transportation corridor preservation fee imposed
1609 under Section 41-1a-1222 in a county of the first class:
1610 (i) to the legislative body of a county of the first class; and
1611 (ii) to be used by a county of the first class for:
1612 (A) highway construction, reconstruction, or maintenance projects; or
1613 (B) the enforcement of state motor vehicle and traffic laws;
- 1614 (g) for a fiscal year beginning on or after July 1, 2015, after the department has verified
1615 that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund
1616 and the transfer under Subsection (4)(e) has been made, to annually transfer an
1617 amount of the sales and use tax revenue imposed in a county of the first class and
1618 deposited into the fund in accordance with Subsection 59-12-2214(3)(b) equal to an
1619 amount needed to cover the debt to:
1620 (i) the appropriate debt service or sinking fund for the repayment of bonds issued
1621 under Section 63B-27-102; and
1622 (ii) the appropriate debt service or sinking fund for the repayment of bonds issued
1623 under Sections 63B-31-102 and 63B-31-103;
- 1624 (h) after the department has verified that the amount required under Subsection
1625 72-2-121.3(4)(c) is available in the fund and after the transfer under Subsection

1626 (4)(d), the payment under Subsection (4)(e), and the transfer under Subsection
 1627 (4)(g)(i) has been made, to annually transfer \$2,000,000 to a public transit district in
 1628 a county of the first class to fund a system for public transit;
 1629 (i) for a fiscal year beginning on or after July 1, 2018, after the department has verified
 1630 that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund
 1631 and after the transfer under Subsection (4)(d), the payment under Subsection (4)(e),
 1632 and the transfer under Subsection (4)(g)(i) has been made, to annually transfer 20%
 1633 of the amount deposited into the fund under Subsection (2)(b):
 1634 (i) to the legislative body of a county of the first class; and
 1635 (ii) to fund parking facilities in a county of the first class that facilitate significant
 1636 economic development and recreation and tourism within the state;
 1637 ~~[(j) for the 2018-19 fiscal year only, after the department has verified that the amount~~
 1638 ~~required under Subsection 72-2-121.3(4)(c) is available in the fund and after the~~
 1639 ~~transfer under Subsection (4)(d), the payment under Subsection (4)(e), and the~~
 1640 ~~transfers under Subsections (4)(g), (h), and (i) have been made, to transfer~~
 1641 ~~\$12,000,000 to the department to distribute for the following projects:]~~
 1642 ~~[(i) \$2,000,000 to West Valley City for highway improvement to 4100 South;]~~
 1643 ~~[(ii) \$1,000,000 to Herriman for highway improvements to Herriman Boulevard from~~
 1644 ~~6800 West to 7300 West;]~~
 1645 ~~[(iii) \$1,100,000 to South Jordan for highway improvements to Grandville Avenue;]~~
 1646 ~~[(iv) \$1,800,000 to Riverton for highway improvements to Old Liberty Way from~~
 1647 ~~13400 South to 13200 South;]~~
 1648 ~~[(v) \$1,000,000 to Murray City for highway improvements to 5600 South from State~~
 1649 ~~Street to Van Winkle;]~~
 1650 ~~[(vi) \$1,000,000 to Draper for highway improvements to Lone Peak Parkway from~~
 1651 ~~11400 South to 12300 South;]~~
 1652 ~~[(vii) \$1,000,000 to Sandy City for right-of-way acquisition for Monroe Street;]~~
 1653 ~~[(viii) \$900,000 to South Jordan City for right-of-way acquisition and improvements to~~
 1654 ~~10200 South from 2700 West to 3200 West;]~~
 1655 ~~[(ix) \$1,000,000 to West Jordan for highway improvements to 8600 South near~~
 1656 ~~Mountain View Corridor;]~~
 1657 ~~[(x) \$700,000 to South Jordan right-of-way improvements to 10550 South; and]~~
 1658 ~~[(xi) \$500,000 to Salt Lake County for highway improvements to 2650 South from~~
 1659 ~~7200 West to 8000 West; and]~~

1660 ~~[(k)]~~ (j) subject to Subsection (5), for a fiscal year beginning on or after July 1, 2021, and
 1661 for 15 years thereafter, to annually transfer the following amounts to the following
 1662 cities, metro townships, and the county of the first class for priority projects to
 1663 mitigate congestion and improve transportation safety:
 1664 (i) \$2,000,000 to Sandy;
 1665 (ii) ~~[\$2,000,000]~~ \$2,300,000 to Taylorsville;
 1666 (iii) \$1,100,000 to Salt Lake City;
 1667 (iv) \$1,100,000 to West Jordan;
 1668 (v) \$1,100,000 to West Valley City;
 1669 (vi) \$800,000 to Herriman;
 1670 (vii) \$700,000 to Draper;
 1671 (viii) \$700,000 to Riverton;
 1672 (ix) \$700,000 to South Jordan;
 1673 (x) \$500,000 to Bluffdale;
 1674 (xi) \$500,000 to Midvale;
 1675 (xii) \$500,000 to Millcreek;
 1676 (xiii) \$500,000 to Murray;
 1677 (xiv) \$400,000 to Cottonwood Heights; and
 1678 (xv) \$300,000 to Holladay~~[-]~~ ; and
 1679 (k) for the 2024-25 and 2025-26 fiscal years, and subject to revenue balances after the
 1680 distributions under Subsection (4)(j), to reimburse the following municipalities for
 1681 the amounts and projects indicated, as each project progresses and as revenue
 1682 balances allow:
 1683 (i) \$3,200,000 to South Jordan for improvements to Bingham Rim Road from
 1684 Grandville Avenue to Mountain View Corridor;
 1685 (ii) \$1,960,000 to Midvale for improvements to Center Street between State Street
 1686 and 700 West;
 1687 (iii) \$3,500,000 to Salt Lake City for first and last mile public transit improvements
 1688 throughout Salt Lake City;
 1689 (iv) \$1,500,000 to Cottonwood Heights for improvements to Fort Union Boulevard
 1690 and 2300 East;
 1691 (v) \$3,450,000 to Draper for improvements to Bangerter Highway between 13800
 1692 South and I-15;
 1693 (vi) \$10,500,000 to Herriman to construct a road between U-111 and 13200 South;

- 1694 (vii) \$3,000,000 to West Jordan for improvements to 1300 West;
 1695 (viii) \$1,050,000 to Riverton for improvements to the Welby Jacob Canal trail
 1696 between 11800 South and 13800 South;
 1697 (ix) \$3,500,000 to Taylorsville for improvements to Bangerter Highway and 4700
 1698 South;
 1699 (x) \$470,000 to the department for construction of a sound wall on Bangerter
 1700 Highway at approximately 11200 South;
 1701 (xi) \$1,250,000 to Murray for improvements to Murray Boulevard between 4800
 1702 South and 5300 South;
 1703 (xii) \$1,450,000 to West Valley for construction of a road connecting 5400 South to
 1704 U-111;
 1705 (xiii) \$1,840,000 to Magna for construction and improvements to 8400 West and
 1706 4100 South;
 1707 (xiv) \$1,000,000 to South Jordan for construction of arterial roads connecting U-111
 1708 and Old Bingham Highway;
 1709 (xv) \$1,200,000 to Millcreek for reconstruction of and improvements to 2000 East
 1710 between 3300 South and Atkin Avenue;
 1711 (xvi) \$1,230,000 to Holladay for improvements to Highland Drive between Van
 1712 Winkle Expressway and Arbor Lane;
 1713 (xvii) \$1,800,000 to West Valley City for improvements to 4000 West between 4100
 1714 South and 4700 South and improvements to 4700 South from 4000 West to
 1715 Bangerter Highway; and
 1716 (xviii) \$1,000,000 to Taylorsville for improvements to 4700 South at the I-215
 1717 interchange.

- 1718 (5) (a) If revenue in the fund is insufficient to satisfy all of the transfers described in
 1719 Subsection ~~[(4)(k)]~~ (4)(j), the executive director shall proportionately reduce the
 1720 amounts transferred as described in Subsection ~~[(4)(k)]~~ (4)(j).
 1721 (b) A local government entity, as that term is defined in Section 63J-1-220, is exempt
 1722 from entering into an agreement as described in Section 63J-1-220 pertaining to the
 1723 receipt or expenditure of any funding described in Subsection ~~[(4)(k)]~~ (4)(j).
 1724 (c) A local government may not use revenue described in Subsection ~~[(4)(k)]~~ (4)(j) to
 1725 supplant existing class B or class C road funds that a local government has budgeted
 1726 for transportation projects.
 1727 ~~[(d) (i) A municipality or county that received a transfer of funds described in~~

~~Subsection (4)(j) shall submit to the department a statement of cash flow and progress pertaining to the municipality's or county's respective project described in Subsection (4)(j).]~~

~~[(ii) After the department is satisfied that the municipality or county described in Subsection (4)(j) has made substantial progress and the expenditure of funds is programmed and imminent, the department may transfer to the same municipality or county the respective amounts described in Subsection (4)(k).]~~

(6) The revenues described in Subsections (2)(b), (c), and (d) that are deposited into the fund and bond proceeds from bonds issued under Sections 63B-16-102, 63B-18-402, and 63B-27-102 are considered a local matching contribution for the purposes described under Section 72-2-123.

(7) The additional administrative costs of the department to administer this fund shall be paid from money in the fund.

(8) Subject to Subsection (9), and notwithstanding any statutory or other restrictions on the use or expenditure of the revenue sources deposited into this fund, the Department of Transportation may use the money in this fund for any of the purposes detailed in Subsection (4).

(9) ~~[Any]~~ Subject to Subsection (10), any revenue deposited into the fund as described in Subsection (2)(e) shall be used to provide funding or loans for public transit projects, operations, and supporting infrastructure in the county of the first class.

(10) For the first three years after a county of the first class imposes a sales and use tax authorized in Section 59-12-2220, revenue deposited into the fund as described in Subsection (2)(e) shall be allocated as follows:

(a) 10% to the department to construct an express bus facility on 5600 West; and

(b) 90% into the County of the First Class Infrastructure Bank Fund created in Section 72-2-302.

Section 8. Section **72-2-124** is amended to read:

72-2-124 (Effective 07/01/24). Transportation Investment Fund of 2005.

(1) There is created a capital projects fund entitled the Transportation Investment Fund of 2005.

(2) The fund consists of money generated from the following sources:

(a) any voluntary contributions received for the maintenance, construction, reconstruction, or renovation of state and federal highways;

(b) appropriations made to the fund by the Legislature;

- 1762 (c) registration fees designated under Section 41-1a-1201;
1763 (d) the sales and use tax revenues deposited into the fund in accordance with Section
1764 59-12-103; and
1765 (e) revenues transferred to the fund in accordance with Section 72-2-106.
- 1766 (3) (a) The fund shall earn interest.
1767 (b) All interest earned on fund money shall be deposited into the fund.
- 1768 (4) (a) Except as provided in Subsection (4)(b), the executive director may only use fund
1769 money to pay:
- 1770 (i) the costs of maintenance, construction, reconstruction, or renovation to state and
1771 federal highways prioritized by the Transportation Commission through the
1772 prioritization process for new transportation capacity projects adopted under
1773 Section 72-1-304;
- 1774 (ii) the costs of maintenance, construction, reconstruction, or renovation to the
1775 highway projects described in Subsections 63B-18-401(2), (3), and (4);
- 1776 (iii) principal, interest, and issuance costs of bonds authorized by Section 63B-18-401
1777 minus the costs paid from the County of the First Class Highway Projects Fund in
1778 accordance with Subsection 72-2-121(4)(e);
- 1779 (iv) for a fiscal year beginning on or after July 1, 2013, to transfer to the 2010 Salt
1780 Lake County Revenue Bond Sinking Fund created by Section 72-2-121.3 the
1781 amount certified by Salt Lake County in accordance with Subsection 72-2-121.3
1782 (4)(c) as necessary to pay the debt service on \$30,000,000 of the revenue bonds
1783 issued by Salt Lake County;
- 1784 (v) principal, interest, and issuance costs of bonds authorized by Section 63B-16-101
1785 for projects prioritized in accordance with Section 72-2-125;
- 1786 (vi) all highway general obligation bonds that are intended to be paid from revenues
1787 in the Centennial Highway Fund created by Section 72-2-118;
- 1788 (vii) for fiscal year 2015-16 only, to transfer \$25,000,000 to the County of the First
1789 Class Highway Projects Fund created in Section 72-2-121 to be used for the
1790 purposes described in Section 72-2-121;
- 1791 (viii) if a political subdivision provides a contribution equal to or greater than 40% of
1792 the costs needed for construction, reconstruction, or renovation of paved
1793 pedestrian or paved nonmotorized transportation for projects that:
1794 (A) mitigate traffic congestion on the state highway system;
1795 (B) are part of an active transportation plan approved by the department; and

1796 (C) are prioritized by the commission through the prioritization process for new
 1797 transportation capacity projects adopted under Section 72-1-304;
 1798 (ix) \$705,000,000 for the costs of right-of-way acquisition, construction,
 1799 reconstruction, or renovation of or improvement to the following projects:
 1800 (A) the connector road between Main Street and 1600 North in the city of
 1801 Vineyard;
 1802 (B) Geneva Road from University Parkway to 1800 South;
 1803 (C) the SR-97 interchange at 5600 South on I-15;
 1804 (D) subject to Subsection (4)(c), two lanes on U-111 from Herriman Parkway to [
 1805 ~~11800 South~~] South Jordan Parkway;
 1806 (E) widening I-15 between mileposts 10 and 13 and the interchange at milepost 11;
 1807 (F) improvements to 1600 North in Orem from 1200 West to State Street;
 1808 (G) widening I-15 between mileposts 6 and 8;
 1809 (H) widening 1600 South from Main Street in the city of Spanish Fork to SR-51;
 1810 (I) widening US 6 from Sheep Creek to Mill Fork between mileposts 195 and 197
 1811 in Spanish Fork Canyon;
 1812 (J) I-15 northbound between mileposts 43 and 56;
 1813 (K) a passing lane on SR-132 between mileposts 41.1 and 43.7 between mileposts
 1814 43 and 45.1;
 1815 (L) east Zion SR-9 improvements;
 1816 (M) Toquerville Parkway;
 1817 (N) an environmental study on Foothill Boulevard in the city of Saratoga Springs;
 1818 (O) using funds allocated in this Subsection (4)(a)(ix), and other sources of funds,
 1819 for construction of an interchange on Bangerter Highway at 13400 South; and
 1820 (P) an environmental impact study for Kimball Junction in Summit County; and
 1821 (x) \$28,000,000 as pass-through funds, to be distributed as necessary to pay project
 1822 costs based upon a statement of cash flow that the local jurisdiction where the
 1823 project is located provides to the department demonstrating the need for money
 1824 for the project, for the following projects in the following amounts:
 1825 (A) \$5,000,000 for Payson Main Street repair and replacement;
 1826 (B) \$8,000,000 for a Bluffdale 14600 South railroad bypass;
 1827 (C) \$5,000,000 for improvements to 4700 South in Taylorsville; and
 1828 (D) \$10,000,000 for improvements to the west side frontage roads adjacent to U.S.
 1829 40 between mile markers 7 and 10.

- (b) The executive director may use fund money to exchange for an equal or greater amount of federal transportation funds to be used as provided in Subsection (4)(a).
- (c) (i) Construction related to the project described in Subsection (4)(a)(ix)(D) may not commence until a right-of-way not owned by a federal agency that is required for the realignment and extension of U-111, as described in the department's 2023 environmental study related to the project, is dedicated to the department.
- (ii) Notwithstanding Subsection (4)(c)(i), if a right-of-way is not dedicated for the project as described in Subsection (4)(c)(i) on or before October 1, 2024, the department may proceed with the project, except that the project will be limited to two lanes on U-111 from Herriman Parkway to 11800 South.
- (5) (a) Except as provided in Subsection (5)(b), if the department receives a notice of ineligibility for a municipality as described in Subsection 10-9a-408(7), the executive director may not program fund money to a project prioritized by the commission under Section 72-1-304, including fund money from the Transit Transportation Investment Fund, within the boundaries of the municipality until the department receives notification from the Housing and Community Development Division within the Department of Workforce Services that ineligibility under this Subsection (5) no longer applies to the municipality.
- (b) Within the boundaries of a municipality described in Subsection (5)(a), the executive director:
- (i) may program fund money in accordance with Subsection (4)(a) for a limited-access facility or interchange connecting limited-access facilities;
- (ii) may not program fund money for the construction, reconstruction, or renovation of an interchange on a limited-access facility;
- (iii) may program Transit Transportation Investment Fund money for a multi-community fixed guideway public transportation project; and
- (iv) may not program Transit Transportation Investment Fund money for the construction, reconstruction, or renovation of a station that is part of a fixed guideway public transportation project.
- (c) Subsections (5)(a) and (b) do not apply to a project programmed by the executive director before July 1, 2022, for projects prioritized by the commission under Section 72-1-304.
- (6) (a) Except as provided in Subsection (6)(b), if the department receives a notice of ineligibility for a county as described in Subsection 17-27a-408(7), the executive

1864 director may not program fund money to a project prioritized by the commission
1865 under Section 72-1-304, including fund money from the Transit Transportation
1866 Investment Fund, within the boundaries of the unincorporated area of the county until
1867 the department receives notification from the Housing and Community Development
1868 Division within the Department of Workforce Services that ineligibility under this
1869 Subsection (6) no longer applies to the county.

1870 (b) Within the boundaries of the unincorporated area of a county described in Subsection

1871 (6)(a), the executive director:

1872 (i) may program fund money in accordance with Subsection (4)(a) for a
1873 limited-access facility to a project prioritized by the commission under Section
1874 72-1-304;

1875 (ii) may not program fund money for the construction, reconstruction, or renovation
1876 of an interchange on a limited-access facility;

1877 (iii) may program Transit Transportation Investment Fund money for a
1878 multi-community fixed guideway public transportation project; and

1879 (iv) may not program Transit Transportation Investment Fund money for the
1880 construction, reconstruction, or renovation of a station that is part of a fixed
1881 guideway public transportation project.

1882 (c) Subsections (6)(a) and (b) do not apply to a project programmed by the executive
1883 director before July 1, 2022, for projects prioritized by the commission under Section
1884 72-1-304.

1885 (7) (a) Before bonds authorized by Section 63B-18-401 or 63B-27-101 may be issued in
1886 any fiscal year, the department and the commission shall appear before the Executive
1887 Appropriations Committee of the Legislature and present the amount of bond
1888 proceeds that the department needs to provide funding for the projects identified in
1889 Subsections 63B-18-401(2), (3), and (4) or Subsection 63B-27-101(2) for the current
1890 or next fiscal year.

1891 (b) The Executive Appropriations Committee of the Legislature shall review and
1892 comment on the amount of bond proceeds needed to fund the projects.

1893 (8) The Division of Finance shall, from money deposited into the fund, transfer the amount
1894 of funds necessary to pay principal, interest, and issuance costs of bonds authorized by
1895 Section 63B-18-401 or 63B-27-101 in the current fiscal year to the appropriate debt
1896 service or sinking fund.

1897 (9) (a) There is created in the Transportation Investment Fund of 2005 the Transit

- 1898 Transportation Investment Fund.
- 1899 (b) The fund shall be funded by:
- 1900 (i) contributions deposited into the fund in accordance with Section 59-12-103;
- 1901 (ii) appropriations into the account by the Legislature;
- 1902 (iii) deposits of sales and use tax increment related to a housing and transit
- 1903 reinvestment zone as described in Section 63N-3-610;
- 1904 (iv) transfers of local option sales and use tax revenue as described in Subsection
- 1905 59-12-2220(11)(b) or (c);
- 1906 (v) private contributions; and
- 1907 (vi) donations or grants from public or private entities.
- 1908 (c) (i) The fund shall earn interest.
- 1909 (ii) All interest earned on fund money shall be deposited into the fund.
- 1910 (d) Subject to Subsection (9)(e), the commission may prioritize money from the fund:
- 1911 (i) for public transit capital development of new capacity projects and fixed guideway
- 1912 capital development projects to be used as prioritized by the commission through
- 1913 the prioritization process adopted under Section 72-1-304; or
- 1914 (ii) to the department for oversight of a fixed guideway capital development project
- 1915 for which the department has responsibility.
- 1916 (e) (i) Subject to Subsections (9)(g) and (h), the commission may only prioritize
- 1917 money from the fund for a public transit capital development project or pedestrian
- 1918 or nonmotorized transportation project that provides connection to the public
- 1919 transit system if the public transit district or political subdivision provides funds of
- 1920 equal to or greater than 30% of the costs needed for the project.
- 1921 (ii) A public transit district or political subdivision may use money derived from a
- 1922 loan granted pursuant to Title 72, Chapter 2, Part 2, State Infrastructure Bank
- 1923 Fund, to provide all or part of the 30% requirement described in Subsection
- 1924 (9)(e)(i) if:
- 1925 (A) the loan is approved by the commission as required in Title 72, Chapter 2,
- 1926 Part 2, State Infrastructure Bank Fund; and
- 1927 (B) the proposed capital project has been prioritized by the commission pursuant
- 1928 to Section 72-1-303.
- 1929 (f) Before July 1, 2022, the department and a large public transit district shall enter into
- 1930 an agreement for a large public transit district to pay the department \$5,000,000 per
- 1931 year for 15 years to be used to facilitate the purchase of zero emissions or low

- 1932 emissions rail engines and trainsets for regional public transit rail systems.
- 1933 (g) For any revenue transferred into the fund pursuant to Subsection 59-12-2220(11)(b):
- 1934 (i) the commission may prioritize money from the fund for public transit projects,
- 1935 operations, or maintenance within the county of the first class; and
- 1936 (ii) Subsection (9)(e) does not apply.
- 1937 (h) For any revenue transferred into the fund pursuant to Subsection 59-12-2220(11)(c):
- 1938 (i) the commission may prioritize public transit projects, operations, or maintenance
- 1939 in the county from which the revenue was generated; and
- 1940 (ii) Subsection (9)(e) does not apply.
- 1941 (10) (a) There is created in the Transportation Investment Fund of 2005 the Cottonwood
- 1942 Canyons Transportation Investment Fund.
- 1943 (b) The fund shall be funded by:
- 1944 (i) money deposited into the fund in accordance with Section 59-12-103;
- 1945 (ii) appropriations into the account by the Legislature;
- 1946 (iii) private contributions; and
- 1947 (iv) donations or grants from public or private entities.
- 1948 (c) (i) The fund shall earn interest.
- 1949 (ii) All interest earned on fund money shall be deposited into the fund.
- 1950 (d) The Legislature may appropriate money from the fund for public transit or
- 1951 transportation projects in the Cottonwood Canyons of Salt Lake County.
- 1952 (e) The department may use up to 2% of the revenue deposited into the account under
- 1953 Subsection 59-12-103(7)(b) to contract with local governments as necessary for
- 1954 public safety enforcement related to the Cottonwood Canyons of Salt Lake County.
- 1955 (11) (a) There is created in the Transportation Investment Fund of 2005 the Active
- 1956 Transportation Investment Fund.
- 1957 (b) The fund shall be funded by:
- 1958 (i) money deposited into the fund in accordance with Section 59-12-103;
- 1959 (ii) appropriations into the account by the Legislature; and
- 1960 (iii) donations or grants from public or private entities.
- 1961 (c) (i) The fund shall earn interest.
- 1962 (ii) All interest earned on fund money shall be deposited into the fund.
- 1963 (d) The executive director may only use fund money to pay the costs needed for:
- 1964 (i) the planning, design, construction, maintenance, reconstruction, or renovation of
- 1965 paved pedestrian or paved nonmotorized trail projects that:

- 1966 (A) are prioritized by the commission through the prioritization process for new
 1967 transportation capacity projects adopted under Section 72-1-304;
 1968 (B) serve a regional purpose; and
 1969 (C) are part of an active transportation plan approved by the department or the
 1970 plan described in Subsection (11)(d)(ii);
 1971 (ii) the development of a plan for a statewide network of paved pedestrian or paved
 1972 nonmotorized trails that serve a regional purpose; and
 1973 (iii) the administration of the fund, including staff and overhead costs.
 1974 (12) (a) As used in this Subsection (12), "commuter rail" means the same as that term is
 1975 defined in Section 63N-3-602.
 1976 (b) There is created in the Transit Transportation Investment Fund the Commuter Rail
 1977 Subaccount.
 1978 (c) The subaccount shall be funded by:
 1979 (i) contributions deposited into the subaccount in accordance with Section 59-12-103;
 1980 (ii) appropriations into the subaccount by the Legislature;
 1981 (iii) private contributions; and
 1982 (iv) donations or grants from public or private entities.
 1983 (d) (i) The subaccount shall earn interest.
 1984 (ii) All interest earned on money in the subaccount shall be deposited into the
 1985 subaccount.
 1986 (e) As prioritized by the commission through the prioritization process adopted under
 1987 Section 72-1-304 or as directed by the Legislature, the department may only use
 1988 money from the subaccount for projects that improve the state's commuter rail
 1989 infrastructure, including the building or improvement of grade-separated crossings
 1990 between commuter rail lines and public highways.
 1991 (f) Appropriations made in accordance with this section are nonlapsing in accordance
 1992 with Section 63J-1-602.1.

1993 Section 9. Section **72-2-301** is enacted to read:

1994 **Part 3. County of the First Class Infrastructure Bank Fund**

1995 **72-2-301 (Effective 07/01/24). Definitions.**

1996 As used in this part:

- 1997 (1) "Fund" means the County of the First Class Infrastructure Bank Fund created under
 1998 Section 72-2-302.

- 1999 (2) "Infrastructure assistance" means any use of fund money, except an infrastructure loan,
 2000 to provide financial assistance for transportation projects or publicly owned
 2001 infrastructure projects, including:
 2002 (a) capital reserves and other security for bond or debt instrument financing; or
 2003 (b) any letters of credit, lines of credit, bond insurance, or loan guarantees obtained by a
 2004 public entity to finance transportation projects.
 2005 (3) "Infrastructure loan" means a loan of fund money to finance a transportation project or
 2006 publicly owned infrastructure project.
 2007 (4) "Public entity" means a county of the first class or any of the following located within a
 2008 county of the first class:
 2009 (a) a municipality;
 2010 (b) a special district;
 2011 (c) a special service district; or
 2012 (d) an intergovernmental entity organized under state law.
 2013 (5) "Publicly owned infrastructure project" means a project to improve sewer or water
 2014 infrastructure that is owned by a public entity.
 2015 (6) "Transportation project" means a project:
 2016 (a) to improve a state or local highway;
 2017 (b) to improve a public transportation facility or nonmotorized transportation facility;
 2018 (c) to construct or improve parking facilities;
 2019 (d) that is subject to a transportation reinvestment zone agreement pursuant to Section
 2020 11-13-227 if the state is party to the agreement; or
 2021 (e) that is part of a housing and transit reinvestment zone created pursuant to Title 63N,
 2022 Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act.
 2023 (7) "Transportation project" includes the costs of acquisition, construction, reconstruction,
 2024 rehabilitation, equipping, and fixturing.
 2025 (8) "Transportation project" may only include a project if the project is part of:
 2026 (a) the statewide long range plan;
 2027 (b) a regional transportation plan of the area metropolitan planning organization if a
 2028 metropolitan planning organization exists for the area; or
 2029 (c) a local government general plan or economic development initiative.
 2030 Section 10. Section **72-2-302** is enacted to read:
 2031 **72-2-302 (Effective 07/01/24). County of the First Class Infrastructure Bank**
 2032 **Fund -- Creation -- Use of money.**

- 2033 (1) There is created a revolving loan fund entitled the County of the First Class
2034 Infrastructure Bank Fund.
- 2035 (2) (a) The fund consists of money generated from the following revenue sources:
2036 (i) deposits into the fund in accordance with Subsection 72-2-121(9);
2037 (ii) appropriations made to the fund by the Legislature;
2038 (iii) federal money and grants that are deposited into the fund;
2039 (iv) money transferred to the fund by the commission from other money available to
2040 the department;
2041 (v) state grants that are deposited into the fund;
2042 (vi) contributions or grants from any other private or public sources for deposit into
2043 the fund; and
2044 (vii) subject to Subsection (2)(b) and Section 72-2-306, all money collected from
2045 repayments of fund money used for infrastructure loans or infrastructure
2046 assistance.
- 2047 (b) When a loan from the fund is repaid, the department may request and the Legislature
2048 may transfer from the fund to the source from which the money originated an amount
2049 equal to the repaid loan.
- 2050 (3) (a) The fund shall earn interest.
2051 (b) All interest earned on fund money shall be deposited into the fund.
- 2052 (4) Money in the fund shall be used by the department, as prioritized by the commission,
2053 only to:
2054 (a) provide infrastructure loans or infrastructure assistance; and
2055 (b) pay the department for the costs of administering the fund, providing infrastructure
2056 loans or infrastructure assistance, monitoring transportation projects and publicly
2057 owned infrastructure projects, and obtaining repayments of infrastructure loans or
2058 infrastructure assistance.
- 2059 (5) (a) The department may establish separate accounts in the fund for infrastructure
2060 loans, infrastructure assistance, administrative and operating expenses, or any other
2061 purpose to implement this part.
2062 (b) Prioritization of infrastructure loans described in Subsection (5)(a) shall follow the
2063 same process as described in Section 72-2-303.
2064 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
2065 department may make rules governing how the fund and its accounts may be held by
2066 an escrow agent.

- (6) Fund money shall be invested by the state treasurer as provided in Title 51, Chapter 7, State Money Management Act, and the earnings from the investments shall be credited to the fund.

Section 11. Section **72-2-303** is enacted to read:

72-2-303 (Effective 07/01/24). Loans and assistance -- Authority -- Rulemaking.

- (1) Money in the fund may be used by the department, as prioritized by the commission or as directed by the Legislature, to make infrastructure loans or to provide infrastructure assistance to any public entity for any purpose consistent with any applicable constitutional limitation.

- (2) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission shall make rules providing procedures and standards for making infrastructure loans and providing infrastructure assistance and a process for prioritization of requests for loans and assistance.

- (3) The prioritization process, procedures, and standards for making an infrastructure loan or providing infrastructure assistance may include consideration of the following:

- (a) availability of money in the fund;
- (b) credit worthiness of the project;
- (c) demonstration that the project will encourage, enhance, or create economic benefits to the state or political subdivision;
- (d) likelihood that assistance would enable the project to proceed at an earlier date than would otherwise be possible;
- (e) the extent to which assistance would foster innovative public-private partnerships and attract private debt or equity investment;
- (f) demonstration that the project provides a benefit to the state highway system, including safety or mobility improvements;
- (g) the amount of proposed assistance as a percentage of the overall project costs with emphasis on local and private participation;
- (h) demonstration that the project provides intermodal connectivity with public transportation, pedestrian, or nonmotorized transportation facilities; and
- (i) other provisions the commission considers appropriate.

Section 12. Section **72-2-304** is enacted to read:

72-2-304 (Effective 07/01/24). Loan program procedures -- Repayment.

- (1) A public entity within a county of the first class may obtain an infrastructure loan from the department, upon approval by the commission, by entering into a loan contract with

- 2101 the department secured by legally issued bonds, notes, or other evidence of indebtedness
2102 validly issued under state law, including pledging all or any portion of a revenue source
2103 controlled by the public entity to the repayment of the loan.
- 2104 (2) A loan or assistance from the fund shall bear interest at a rate not to exceed .5% above
2105 bond market interest rates available to the state.
- 2106 (3) A loan shall be repaid no later than 20 years from the date the department issues the
2107 loan to the borrower, with repayment commencing no later than:
- 2108 (a) when the project is completed; or
2109 (b) in the case of a highway project, when the facility has opened to traffic.
- 2110 (4) The public entity shall repay the infrastructure loan in accordance with the loan contract
2111 from any of the following sources:
- 2112 (a) transportation project or publicly owned infrastructure project revenues, including
2113 special assessment revenues;
- 2114 (b) general funds of the public entity;
2115 (c) money withheld under Subsection (7); or
2116 (d) any other legally available revenues.
- 2117 (5) An infrastructure loan contract with a public entity may provide that a portion of the
2118 proceeds of the loan may be applied to fund a reserve fund to secure the repayment of
2119 the loan.
- 2120 (6) Before obtaining an infrastructure loan, a county or municipality shall:
- 2121 (a) publish its intention to obtain an infrastructure loan at least once in accordance with
2122 the publication of notice requirements under Section 11-14-316; and
2123 (b) adopt an ordinance or resolution authorizing the infrastructure loan.
- 2124 (7) (a) If a public entity fails to comply with the terms of a public entity's infrastructure
2125 loan contract, the department may seek any legal or equitable remedy to obtain
2126 compliance or payment of damages.
- 2127 (b) If a public entity fails to make infrastructure loan payments when due, the state shall,
2128 at the request of the department, withhold an amount of money due to the public
2129 entity and deposit the withheld money into the fund to pay the amounts due under the
2130 contract.
- 2131 (c) The department may elect when to request the withholding of money under this
2132 Subsection (7).
- 2133 (8) All loan contracts, bonds, notes, or other evidence of indebtedness securing the loan
2134 contracts shall be held, collected, and accounted for in accordance with Section

2135 63B-1b-202.

2136 (9) For any money received into the fund for repayment of a loan as described in this
2137 section, the department shall distribute the repaid money as described in Section
2138 72-2-306.

2139 Section 13. Section **72-2-305** is enacted to read:

2140 **72-2-305 (Effective 07/01/24). Department authority to contract.**

2141 The department may, upon approval of the commission:

2142 (1) make all contracts, execute all instruments, and do all things necessary or convenient to
2143 provide financial assistance for transportation projects or publicly owned infrastructure
2144 projects in accordance with this chapter; and

2145 (2) enter into and perform the contracts and agreements with entities concerning the
2146 planning, construction, leasing, or other acquisition, installation, or financing of
2147 transportation projects or publicly owned infrastructure projects.

2148 Section 14. Section **72-2-306** is enacted to read:

2149 **72-2-306 (Effective 07/01/24). Distribution of funds after repayment.**

2150 (1) Any money deposited into the fund from repayment of a loan or interest issued under
2151 this part shall be distributed as described in this section.

2152 (2) As the department receives repayment of a loan and interest issued under this part, the
2153 department shall distribute:

2154 (a) 50% of the money to Sandy, for a bridge connecting a commuter rail station on the
2155 west side of I-15 with the east side of I-15;

2156 (b) 30% of the money to Bluffdale, for construction of a multiple lane, grade-separated
2157 rail crossing at 1000 West and 14600 South; and

2158 (c) 20% of the money to the department, to construct and provide enhanced ingress and
2159 egress to a transit mobility center on property north of Big Cottonwood Canyon.

2160 Section 15. **FY 2025 Appropriation.**

2161 The following sums of money are appropriated for the fiscal year beginning July 1,
2162 2024, and ending June 30, 2025. These are additions to amounts previously
2163 appropriated for fiscal year 2025.

2164 Subsection 15(a) **Operating and Capital Budgets**

2165 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act,
2166 the Legislature appropriates the following sums of money from the funds or accounts
2167 indicated for the use and support of the government of the state of Utah.

2168 ITEM 1 To Transportation - Operations/Maintenance Management

2169	From Cottonwood Canyon Transportation Investment	
2170	Fund	\$400,000
2171	Schedule of Programs:	
2172	Maintenance Administration	\$400,000
2173	ITEM 2 To Transportation - Pass-Through	
2174	From Rail Transportation Restricted Account, One-time	\$11,000,000
2175	Schedule of Programs:	
2176	Pass-Through	\$11,000,000
2177	The Legislature intends that the Department of Transportation pass through:	
2178	(1) \$10,000,000 appropriated by this item to the city of Vineyard for the 12th	
2179	Overpass Project; and	
2180	(2) \$1,000,000 appropriated by this item to the city of Orem for the Center Street	
2181	Railroad Crossing.	
2182	Section 16. Effective date.	
2183	(1) <u>Except as provided in Subsection (2), this bill takes effect on July 1, 2024.</u>	
2184	(2) <u>The actions affecting Section 59-12-103 (Contingently Effective 01/01/25) take effect</u>	
2185	<u>on January 1, 2025.</u>	